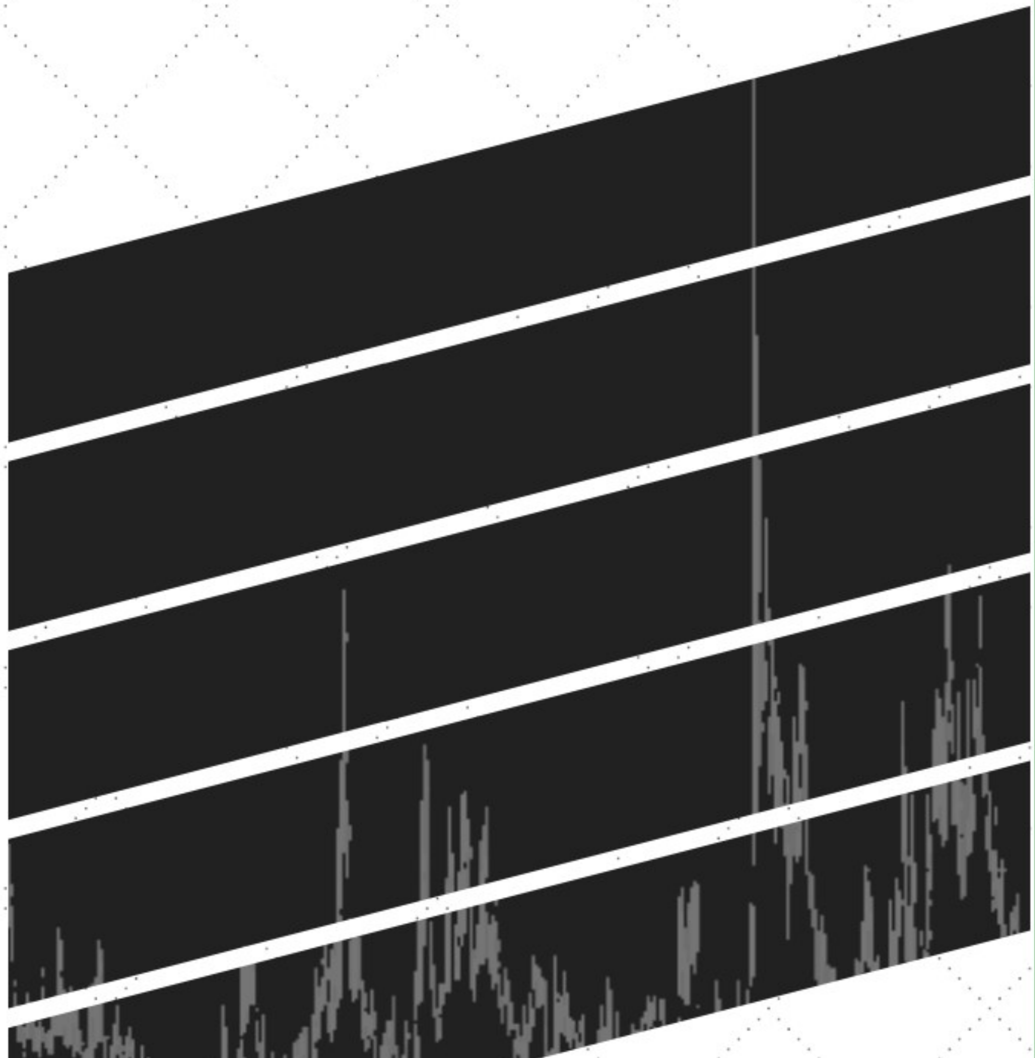
THRASHER ANALYTICS

WEEKLY RESEARCH & ANALYSIS



ThrasherAnalytics.com

Thrasher Analytics Market Dashboard

Sector Rotation: Oct.	
Consumer Disc.	XLY
Materials	XLB
Technology	XLK

Notable Breadth Data:	
SPX >50MA	50.69%
SPX >200MA	57.43%
Nasdaq >50MA	46.60%
Nasdaq >200MA	73.79%

Fixed Income Rotation: Q4	
20+ Yr Treasury	TLT
Core U.S. Agg	AGG

Index & Sector Adaptive Trend	Up Trend	Down Trend
SPX	X	
QQQ	X	
XLF		X
XLY	X	
XLK	X	
XLV	X	
XLU		X
XLP	X	
XLI	X	
XLRE	X	
XLE		X
XLB	X	

Daily Sentiment Index	% Bullish	5-day MA
S&P 500	50%	53%
Nasdaq 100	53%	57%
Nikkei	62%	67%
VIX	56%	50%
10yr Treasury	74%	79%
5yr Treasury	73%	75%
CRB Index	35%	42%
Gold	30%	32%
U.S. Dollar	43%	44%

**Green<25%   Red>80%*

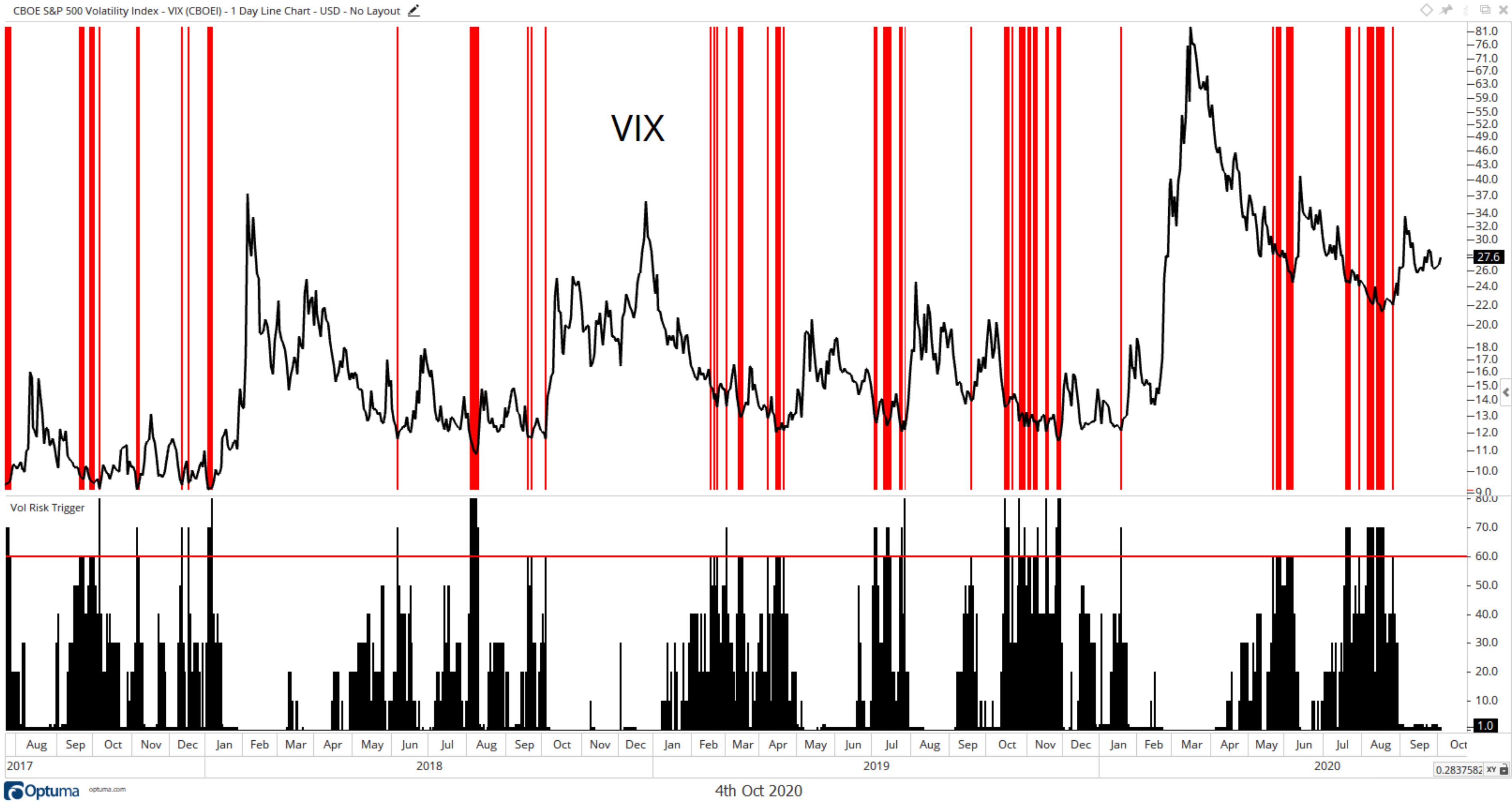
source: trade-futures.com

Sector Dashboard

THRASHER ANALYTICS

1 Day - Watch List - No Layout

Sector	> 50MA	> 200MA	1wk Perf	1mo Perf	3mo Perf	12mo Perf
SPDR Real Estate Select Sector Fund ETF	True	True	5.08%	-1.54%	2.22%	-6.01%
SPDR Financial Select Sector Fund ETF	False	False	3.45%	-4.67%	5.79%	-9.5%
SPDR Utilities Select Sector Fund ETF	True	False	3.35%	0.50%	4.82%	-4.77%
SPDR Consumer Discretionary Select Sector Fund ETF	True	True	3.02%	-3.57%	14.49%	26.14%
SPDR Consumer Staples Select Sector Fund ETF	True	True	1.68%	-4.10%	8.66%	6.78%
SPDR Industrial Select Sector Fund ETF	True	True	1.46%	-2.87%	12.51%	4.4%
SPDR Materials Select Sector Fund ETF	True	True	1.34%	-4.42%	10.03%	13.42%
SPDR Health Care Select Sector Fund ETF	False	True	1.11%	-4.82%	2.52%	18.43%
SPDR Communication Services Select Sector ETF	False	True	0.92%	-9.33%	6.99%	22.33%
SPDR Technology Select Sector Fund ETF	False	True	0.88%	-9.52%	9.19%	46.83%
SPDR Energy Select Sector Fund ETF	False	False	-2.88%	-16.83%	-21.51%	-48.04%

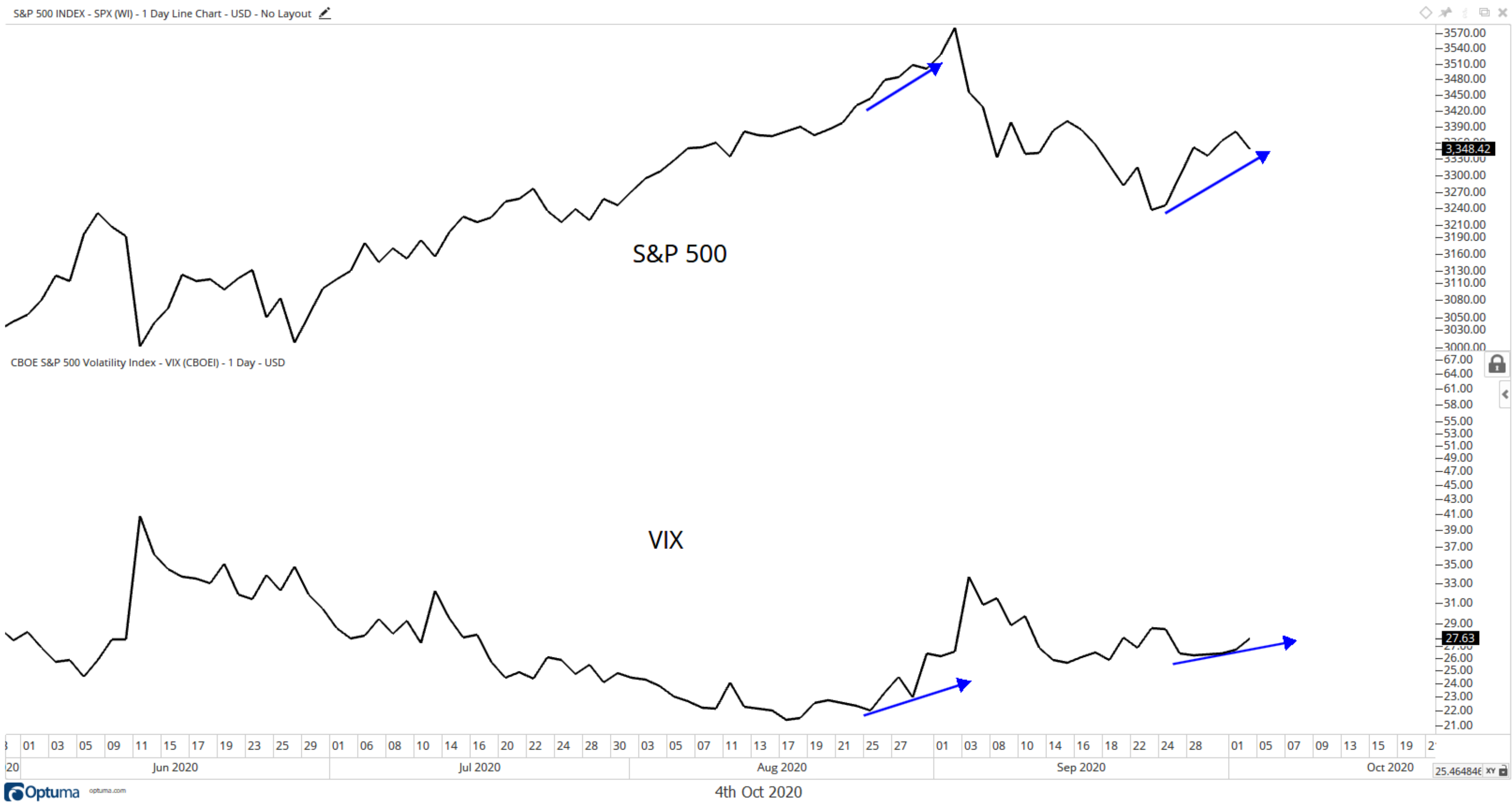


Let me begin with sharing some exciting news, I've been working on improving upon the VRT, and will have a VRT 2.0 coming out very soon. I'll continue to display the current version but the new version I think is a great improvement on a tool I think is already extremely useful. I look forward to sharing 2.0 with you in the coming weeks.

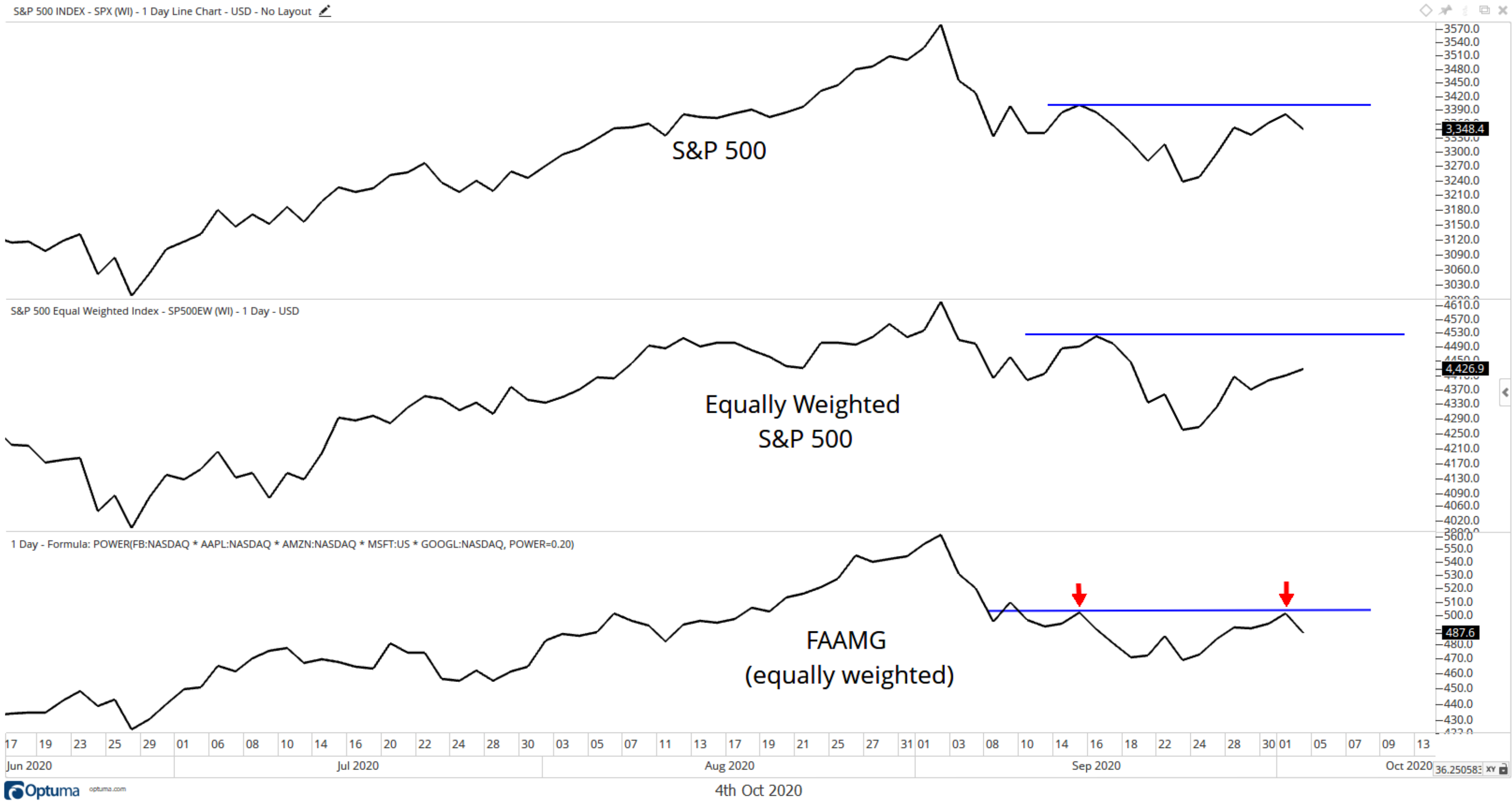
While equities rally last week, as expected, volatility did not materially move lower. In fact we've actually started seeing daily dispersion within the VIX begin to narrow again, no where near the levels to cause concern but the VIX holding firm at its currently level, buoyed by headlines surrounding failed stimulus deals and Trump (unsurprisingly) contracting covid.

Zooming in a little more closer on this week's S&P 500 daily chart. The levels previously mentioned are all still "in play" with the SPX unable to get a good move above the 50-day or Sept. VWAP. There's still plenty of 'price memory' at the prior February high which also marks the gap down level from Sept. 16th. Gaps are created by extremely large buying/selling forces that often retain underlying supply/demand dynamics when price re-visit them, that's what we're seeing now as SPX unable to get back above 3400. Above these levels I'm watching 3430 which was the close of the second large day down and the area price tried to move above on the first tests of the Sept. high VWAP.

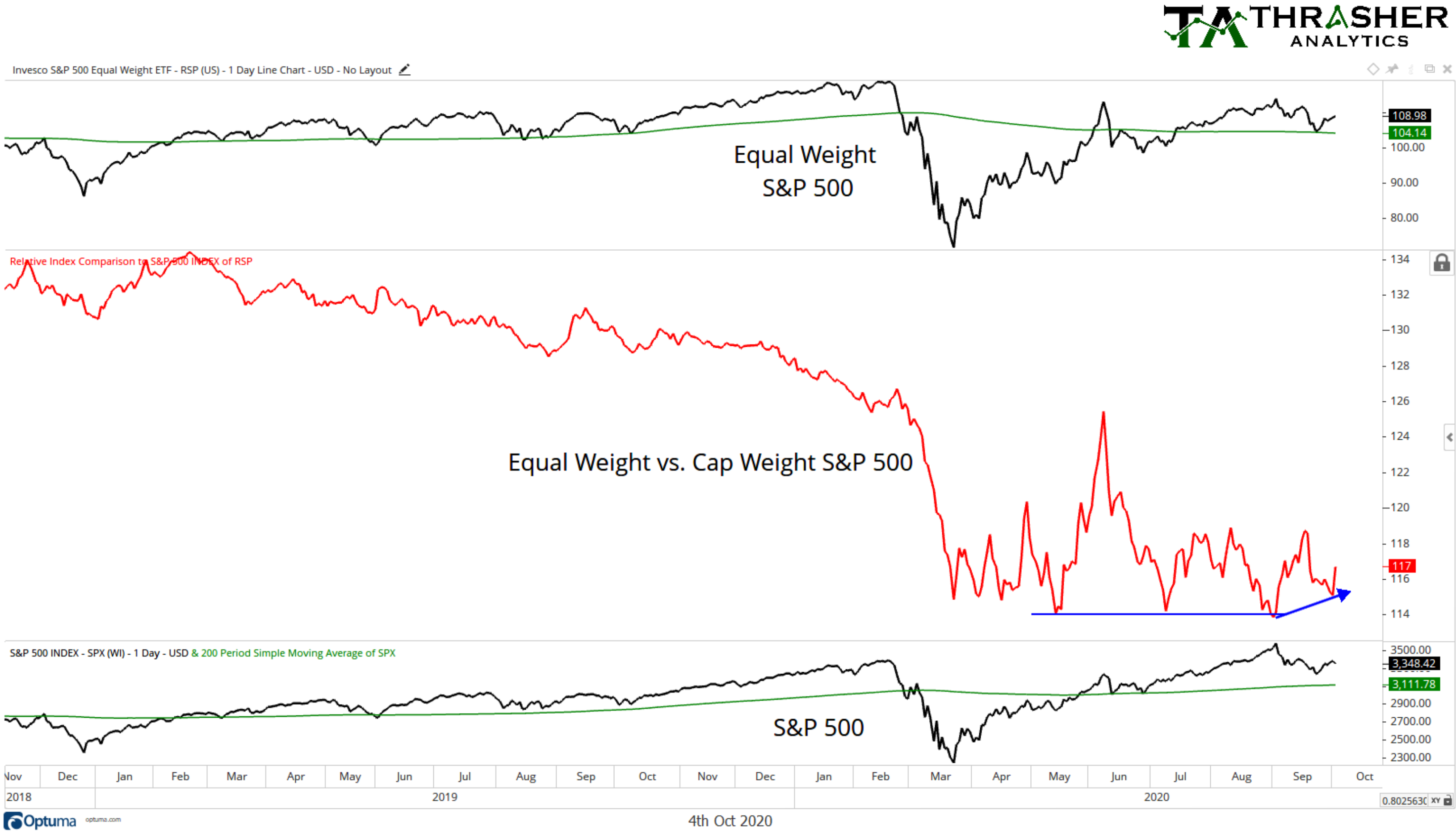
As I wrote last week, seasonally it was expected to see a bounce in the fifth week following four consecutive down weeks in the S&P 500. While it didn't feel like much of a bounce, equities were able to show some firming up as buyers stepped in many pockets of the market, moving breadth up a few months.



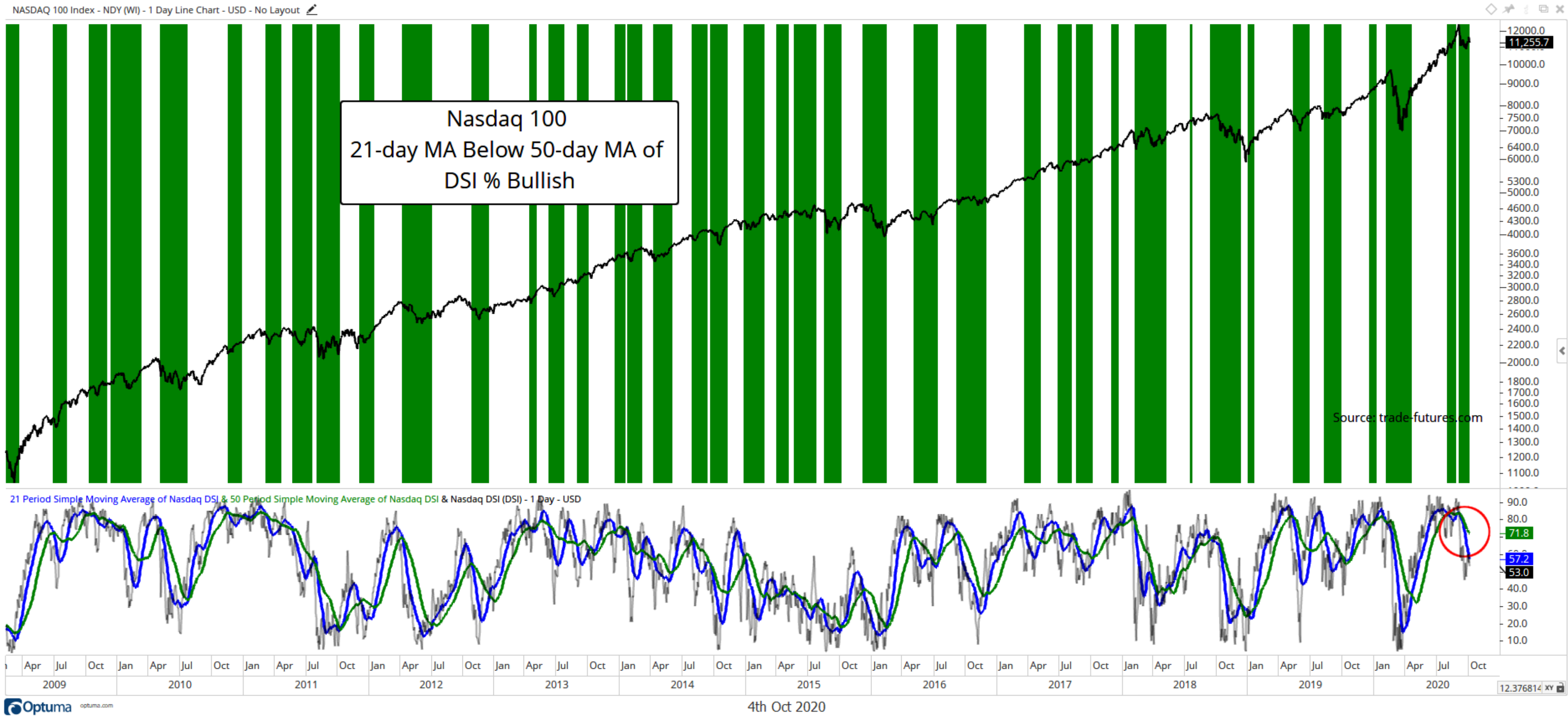
The relationship between the S&P 500 and the Volatility Index perfectly nailed the peak in equities coming into September. You'll remember the chart I shared showing the SPX at a new high when the VIX was 20+% above its 1-month low, something we rarely see happen but did a great job of marking the current high in equity markets. The relationship between vol and equities is important and a topic I'd like to return to. As I mentioned two pages ago, VIX has held firm while equities have also strengthen last week. It's not unexpected to see volatility remain elevated as we navigate October and move closer to the election.



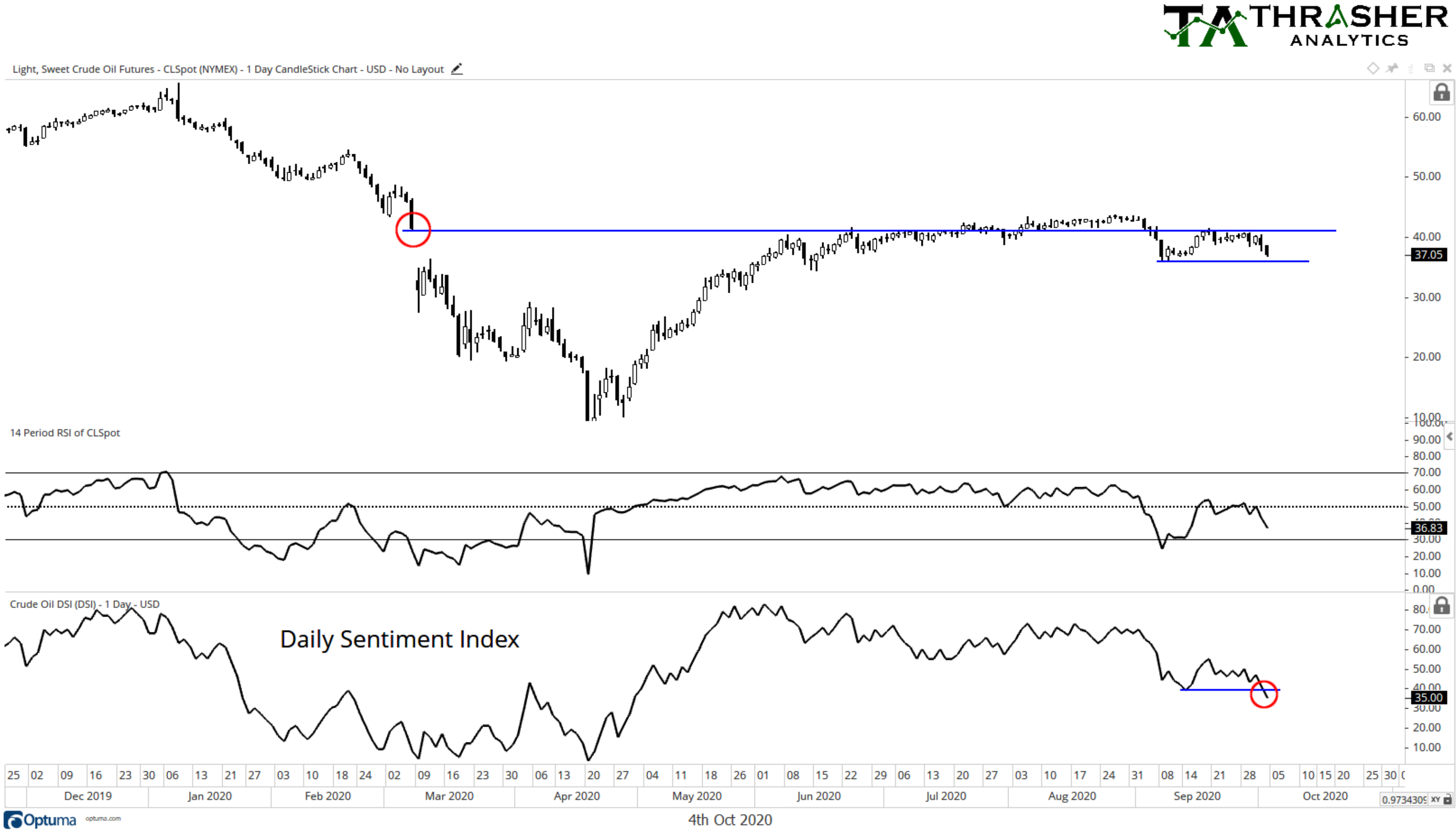
I showed this chart two weeks ago, highlighting the heavy selling in the FAAMG index. FAAMG stocks bounced to re-test the high from mid-September but failed to break above. Note that Friday the SPX moved lower with FAAMG but equal weight S&P 500 actually closed higher, there was some strength in the market on Friday, even with the Trump-covid news but the selling in FAAMG stocks overwhelmed the buying in the smaller capitalized equities.



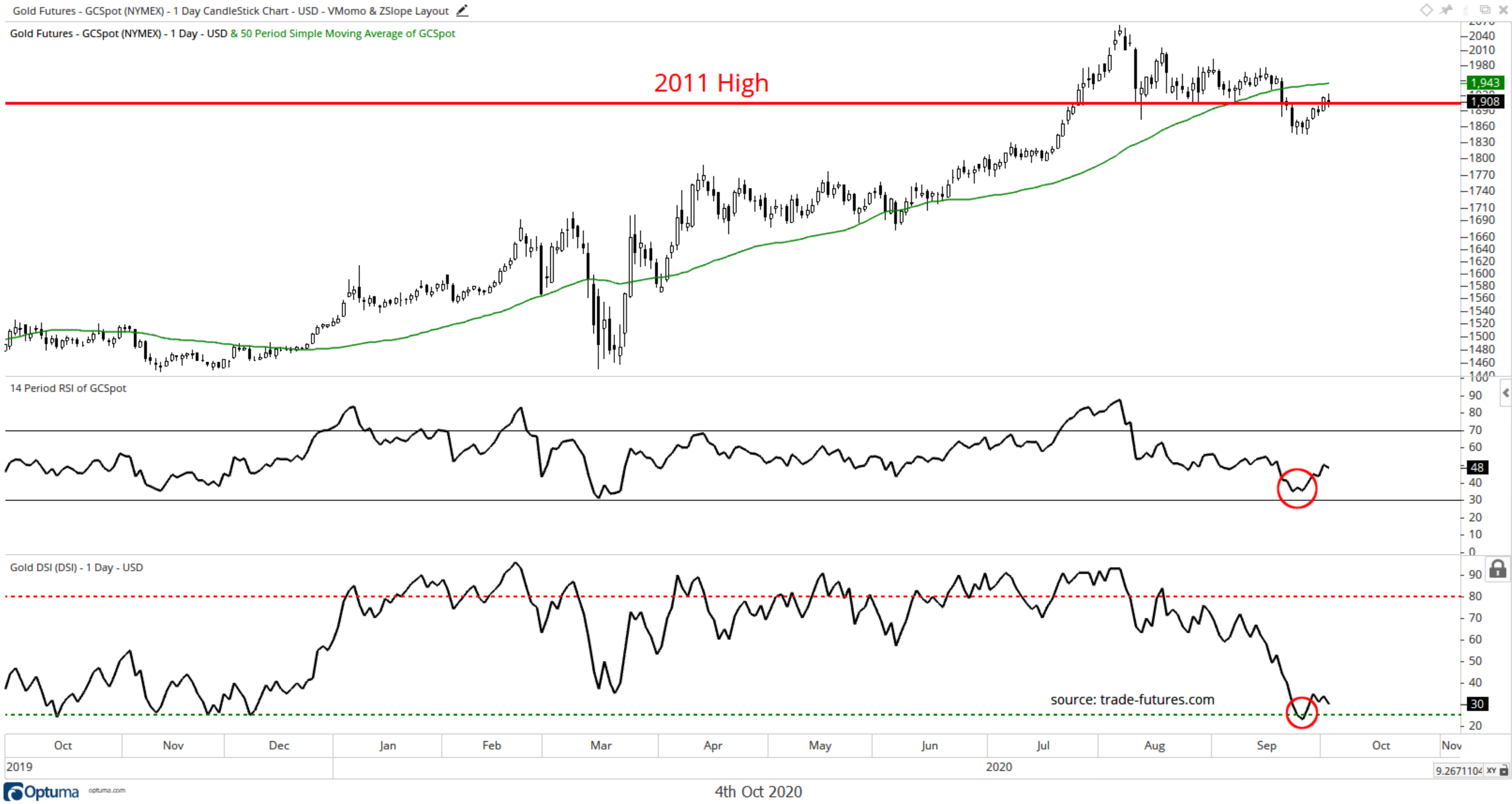
Looking at equal weight S&P 500 (RS) again, this time in a ratio chart against the cap-weighted SPX. While the SPX made lower lows in September, equal weight equities made a higher low in relative performance (red line in the middle of the chart) along with a successful test and hold in RSP of the 200-day moving average. A continuation of this strength in equal weight is a positive sign of risk appetite returning to the market as traders expand their buying focus beyond just the mega caps.



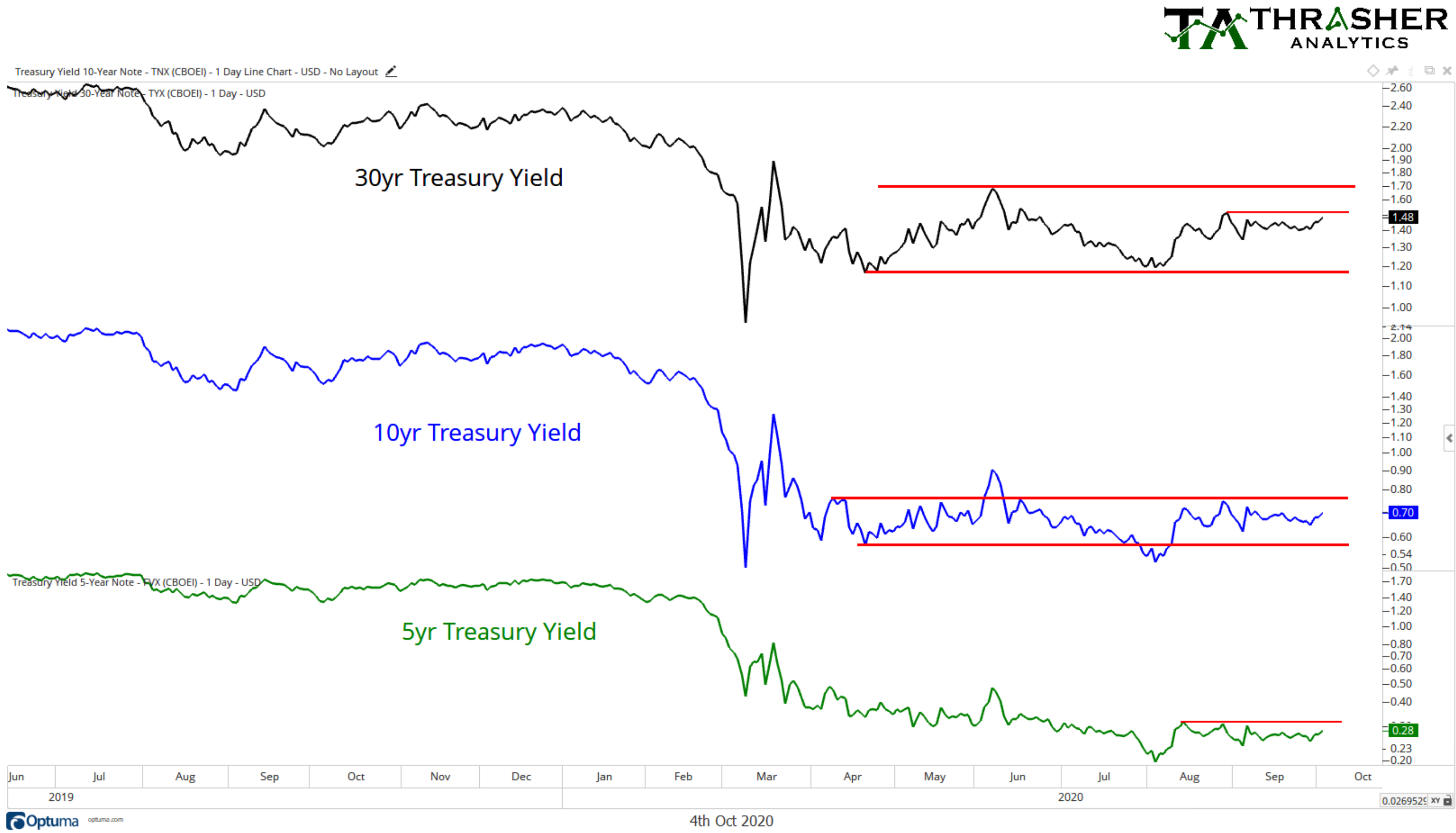
The Daily Sentiment Index % Bullish for the Nasdaq 100 has continued to show characteristics of a down trend. Looking at the data through a moving average crossover between the 21-day and 50-day moving averages, we can see by the green shaded areas on the top panel that when the short-term MA is below the longer-term MA (like it is today), equities have struggled. While this type of analysis is not intended to catch tops and bottoms, instead its relevance is showing the trend direction of sentiment. While price has bounced it's yet to see a confirmation in trend direction by the sentiment index, something we hopefully see soon.



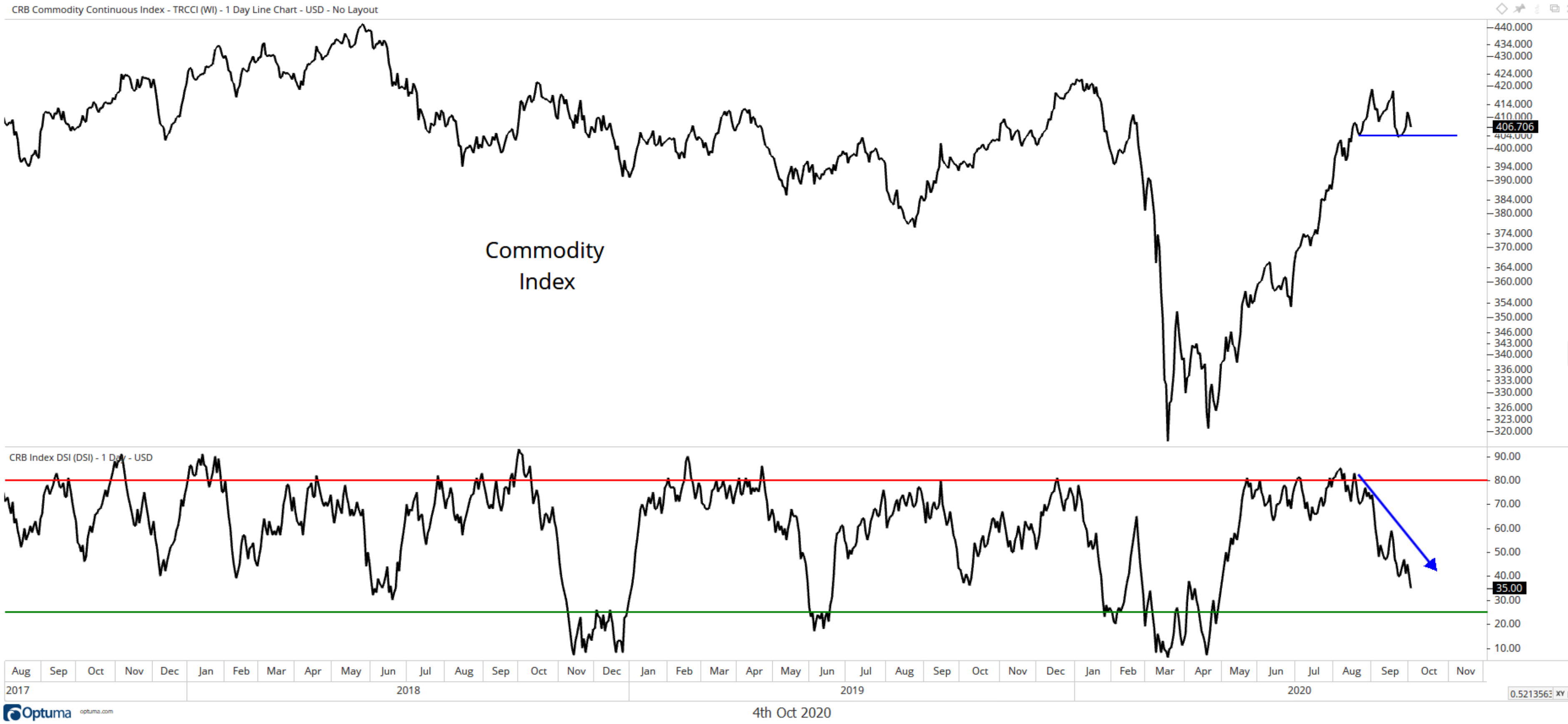
For several months I've been discussing the important resistance level created by the gap down in March for crude oil. The inability of oil to hold above this gap level shows the heavily degree of selling pressure holding oil prices down. Meanwhile, the DSI % Bullish made a new low on Friday, which is taking place ahead of price falling below its prior September low. The energy market looks weak until oil can hold firm above the $42-$43.50 area.



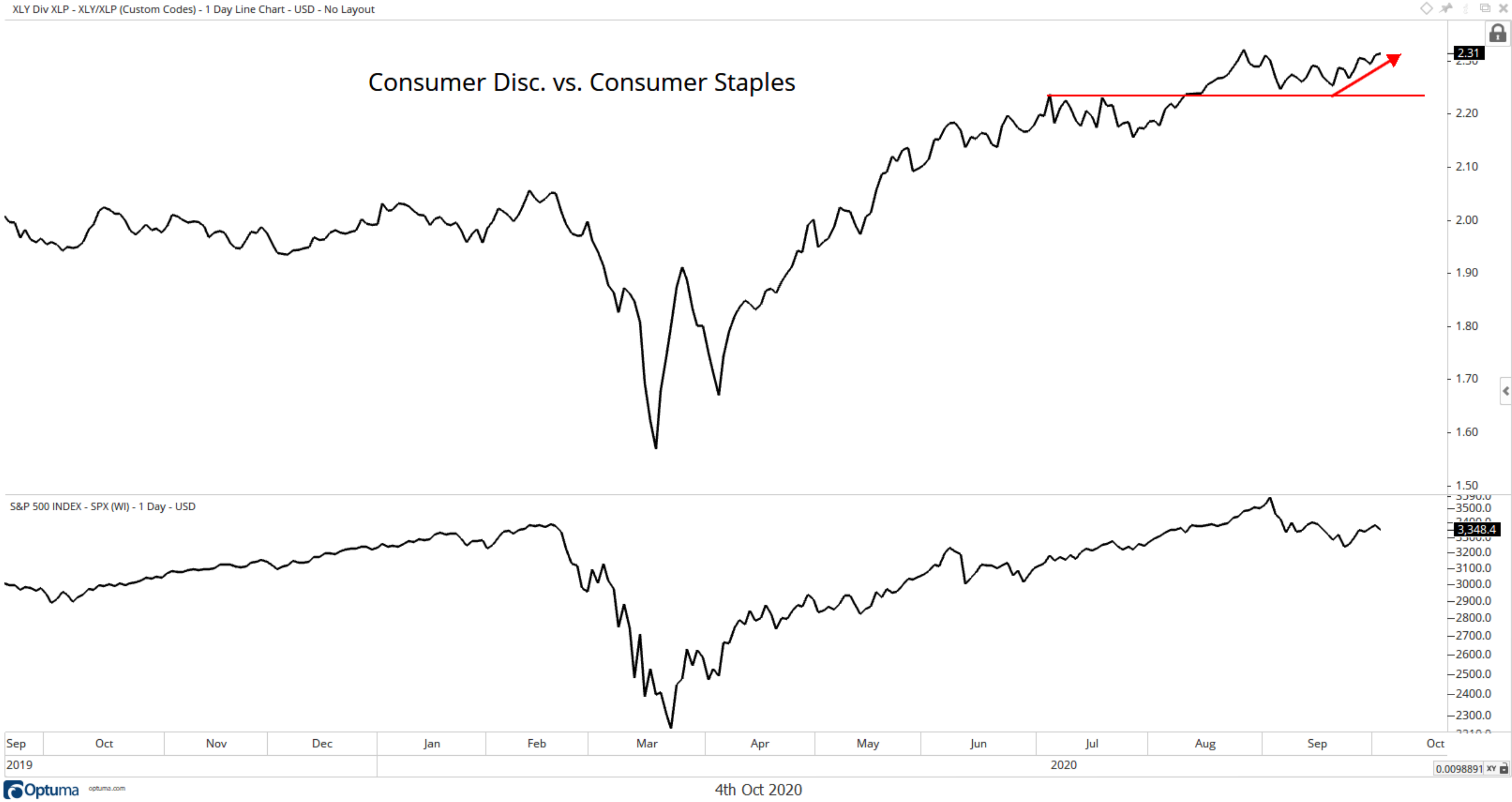
I last mentioned gold when marking the high in August based on its relationship to the U.S dollar being extremely stretched. It's since pulled back below the 2011 high but last week tried to stage a rebound. Sentiment (bottom panel) hit an 'oversold' level under 25% bullish and momentum never reached an 'oversold' showing some internal strength in the price activity. Gold is working on recovering the 2011 level just at $1900 and further appreciation will get it to test the 50-day moving average which had been good support earlier this year in June. There's an expectation hat inflation data will pick up, something the Fed has been vocal in not having a problem with, so gold prices may be a benefactor of that as investors chase the shiny commodity. Gold has not always been a great hedge against inflation, but that doesn't mean investors won't attempt to return to the well (so to speak) and that kind of demand can create opportunity, I'll be watching this chart closely and see if gold can regain its 50-MA.



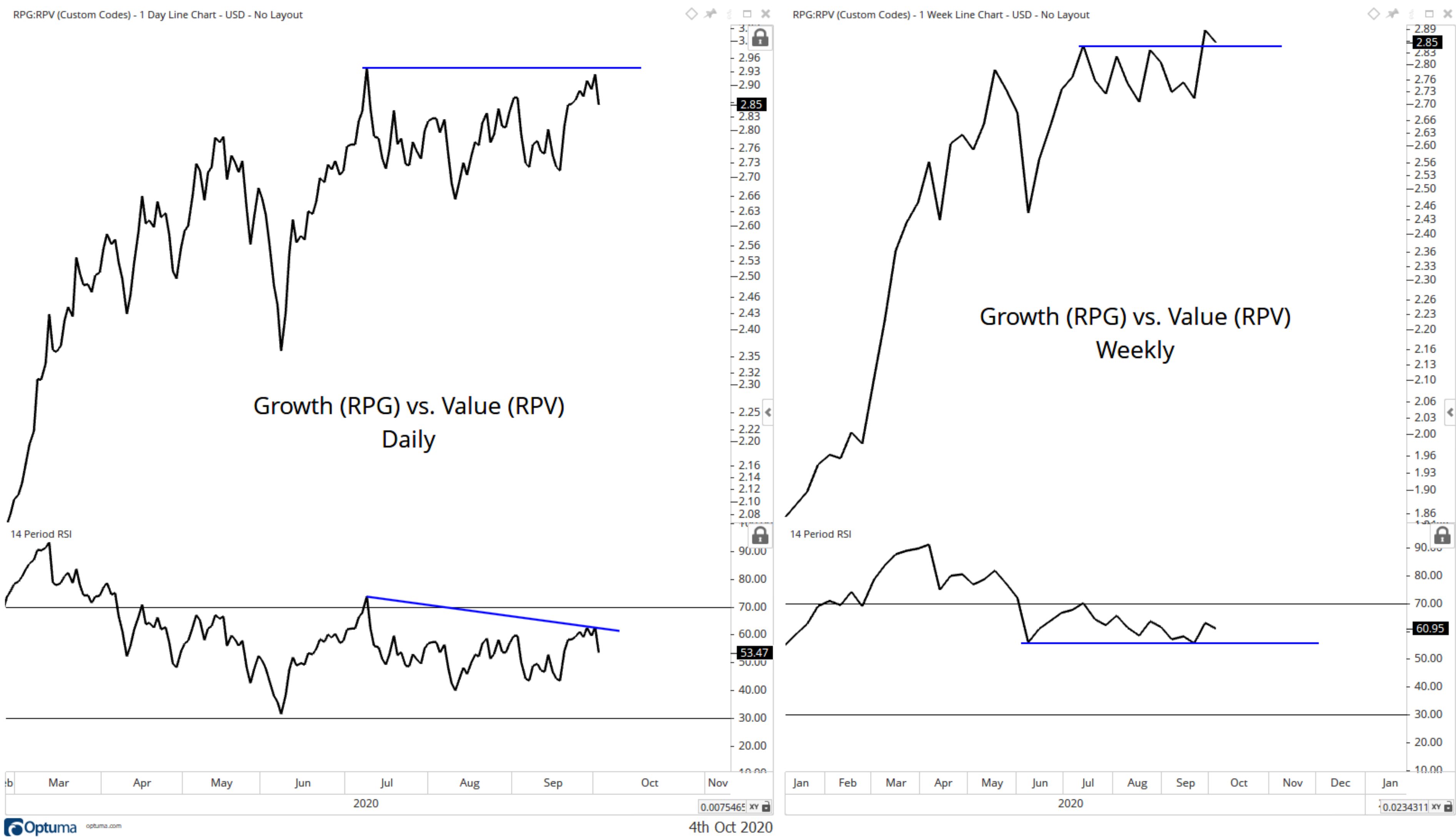
Two weeks ago I wrote that there's a chance we see a strengthening in Treasury Yield, since then we have in fact see a move higher in rates with the 30-year almost back to its August pivot high. All three (30-, 10-, & 5-yr) markets are still in their multi-month range but a further move could threaten a break out. I don't think many traders are expected a material move higher in rates, so a 10-yr above 0.8% may catch many off guard.



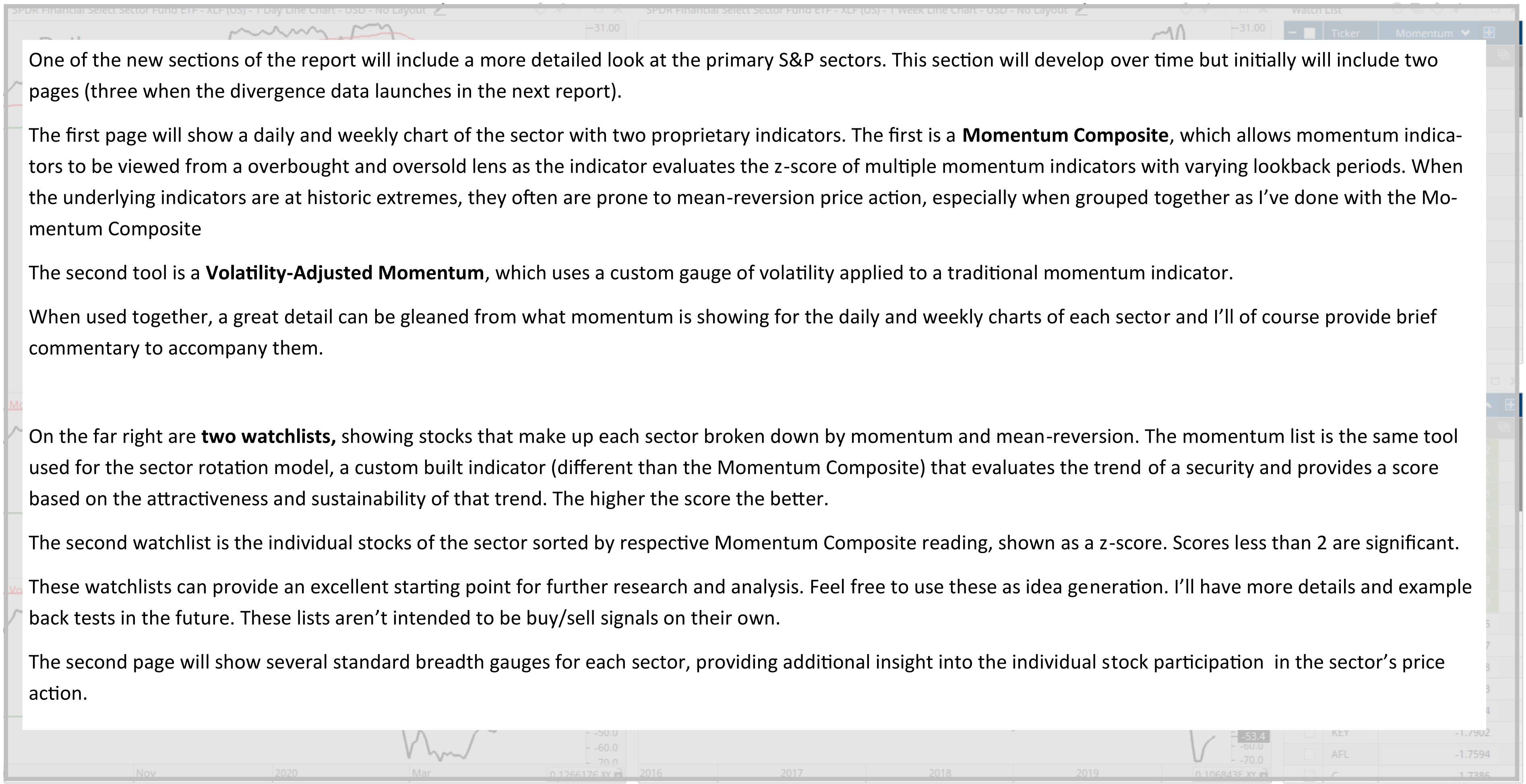
Along with the weakness in oil, the broad sentiment for commodities is also moving materially lower ahead of price. The CRB Commodity Index is still above its prior pivot lows but the % Bullish has been falling for about two months now, finishing on Friday at just 35%. The interest from futures traders in commodities is dying out but that has yet to show up in the price activity. It's likely we see price 'chase down' rather than sentiment 'chase up' in order for these two to converge.



The ratio between Consumer Disc. and Consumer Staples has strengthened over the last two weeks, rising back to the August high. This is a bullish development for equities and positive note specifically for XLY. You'll see in the sector section of this letter, consumer disc. now has 80% of its stocks above the 200-day moving average—the largest figure since the start of the recovery off the March low. While Amazon is the primary driver of the sector, there's good internal strength within the smaller companies.



The ratio between growth (RPG) vs value (RPV) may be making another attempt to rotate back in favor of value. This break in trend has been attempted several times in the last year, each failing to create a new long-term trend towards value. But alas, I'll cover it once again to show what the chart is telling us. The momentum of the ratio (left chart) is breaking down as the ratio made a run back to the prior high. The weekly chart (right chart) shows the latest break out but the move lower last week opens a door for value to create a false breakout and momentum to break below the current 'floor' around 55. The trend clearly is in favor of growth but there's a few holes of weakness that could be exploited if value traders become so bold. We'll see if these continue to develop or if growth stocks continue to remain in the driver seat.



One of the new sections of the report will include a more detailed look at the primary S&P sectors. This section will develop over time but initially will include two pages (three when the divergence data launches in the next report).

The first page will show a daily and weekly chart of the sector with two proprietary indicators. The first is a **Momentum Composite**, which allows momentum indicators to be viewed from a overbought and oversold lens as the indicator evaluates the z-score of multiple momentum indicators with varying lookback periods. When the underlying indicators are at historic extremes, they often are prone to mean-reversion price action, especially when grouped together as I've done with the Momentum Composite

The second tool is a **Volatility-Adjusted Momentum**, which uses a custom gauge of volatility applied to a traditional momentum indicator.

When used together, a great detail can be gleaned from what momentum is showing for the daily and weekly charts of each sector and I'll of course provide brief commentary to accompany them.

On the far right are **two watchlists,** showing stocks that make up each sector broken down by momentum and mean-reversion. The momentum list is the same tool used for the sector rotation model, a custom built indicator (different than the Momentum Composite) that evaluates the trend of a security and provides a score based on the attractiveness and sustainability of that trend. The higher the score the better.

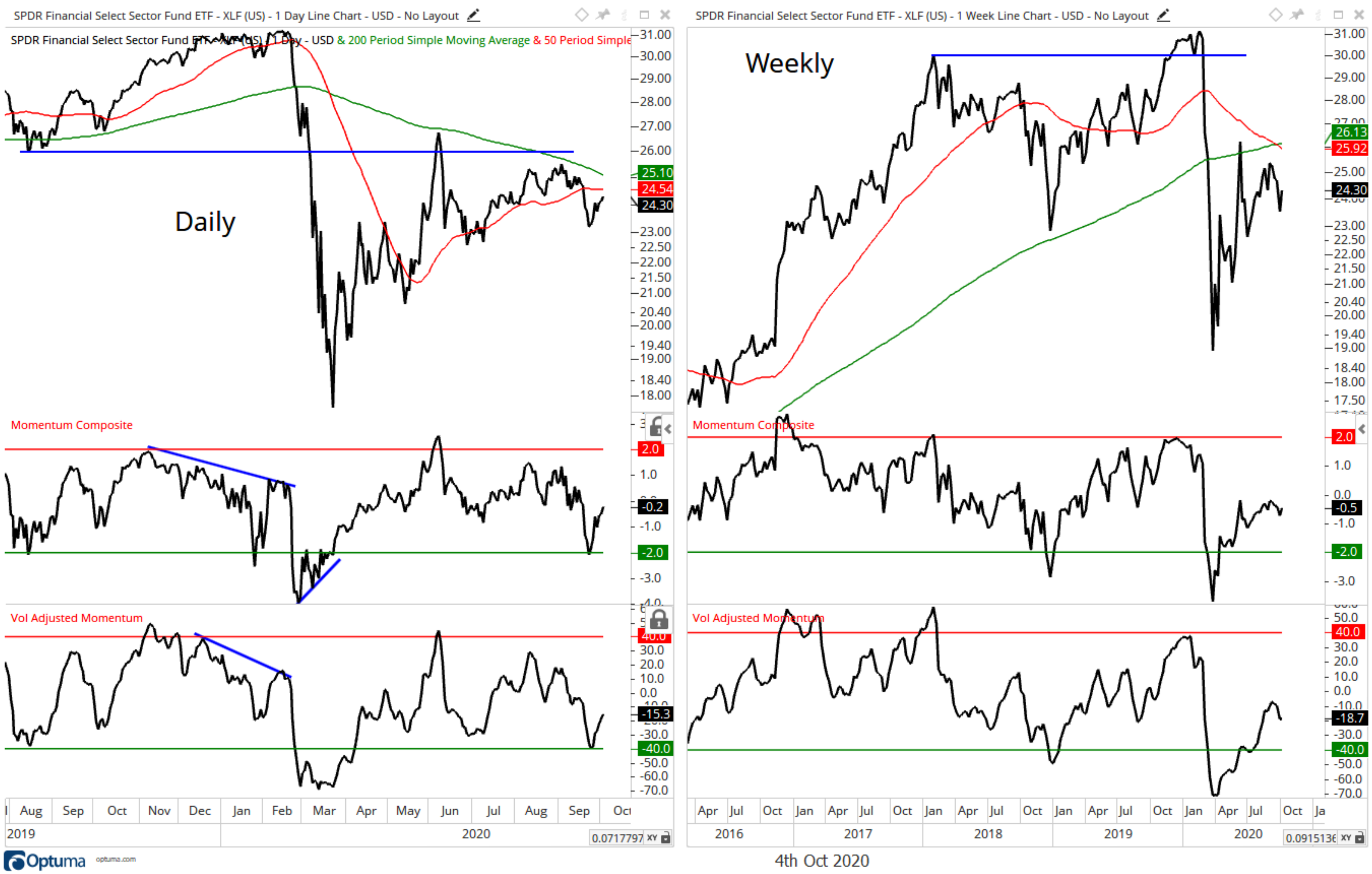
The second watchlist is the individual stocks of the sector sorted by respective Momentum Composite reading, shown as a z-score. Scores less than 2 are significant.

These watchlists can provide an excellent starting point for further research and analysis. Feel free to use these as idea generation. I'll have more details and example back tests in the future. These lists aren't intended to be buy/sell signals on their own.

The second page will show several standard breadth gauges for each sector, providing additional insight into the individual stock participation in the sector's price action.

Optuma

Financial Sector



Watch List

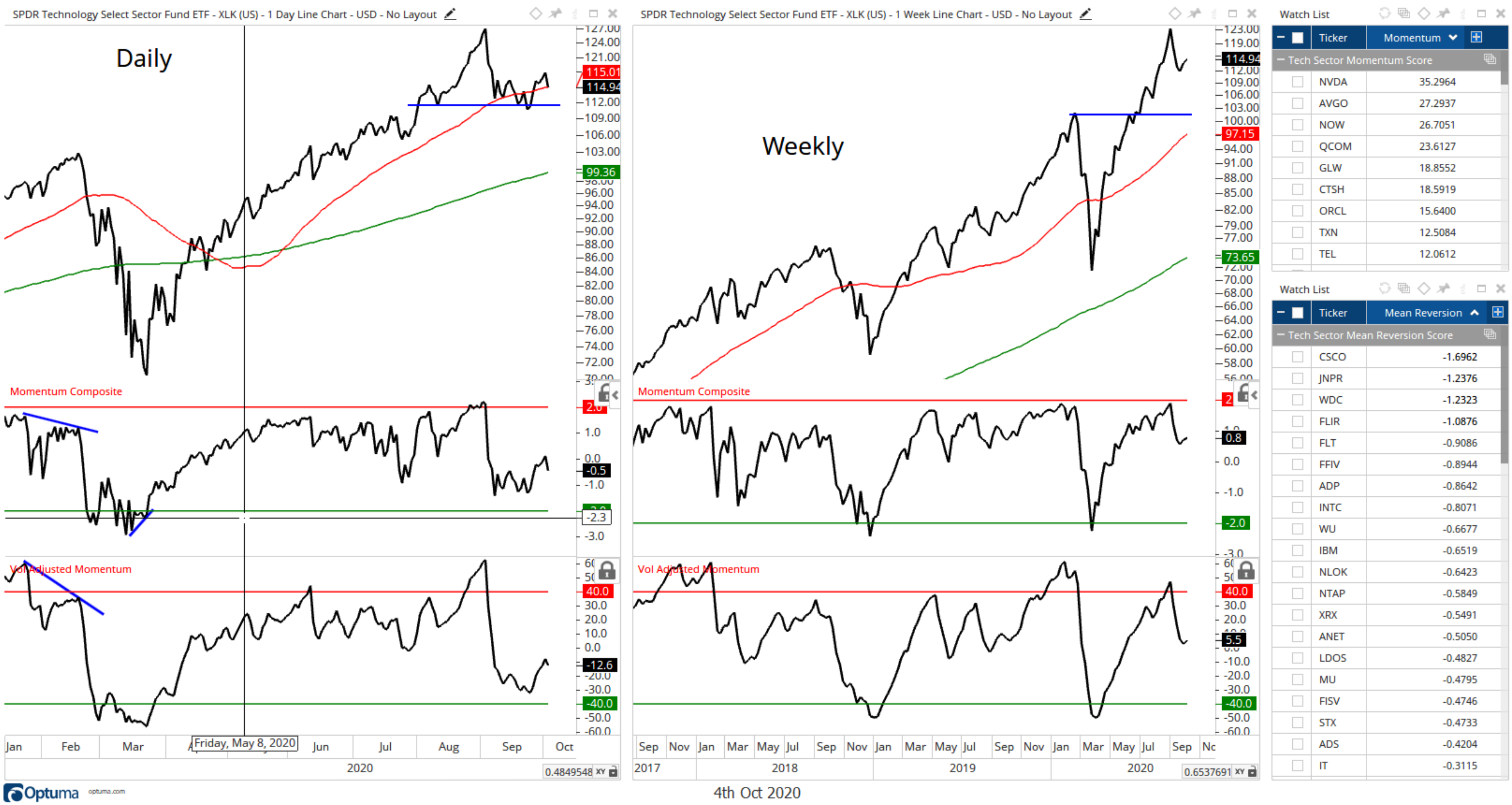
Ticker	Momentum
Financial Momentum Score	
SPGI	16.6228
PGR	15.5897
BRK.B	7.7493
AJG	6.3478
MCO	6.1601
MMC	4.8690
AIZ	0.9446
ICE	-0.5750
AON	-2.6679
SYF	-2.7125

Watch List

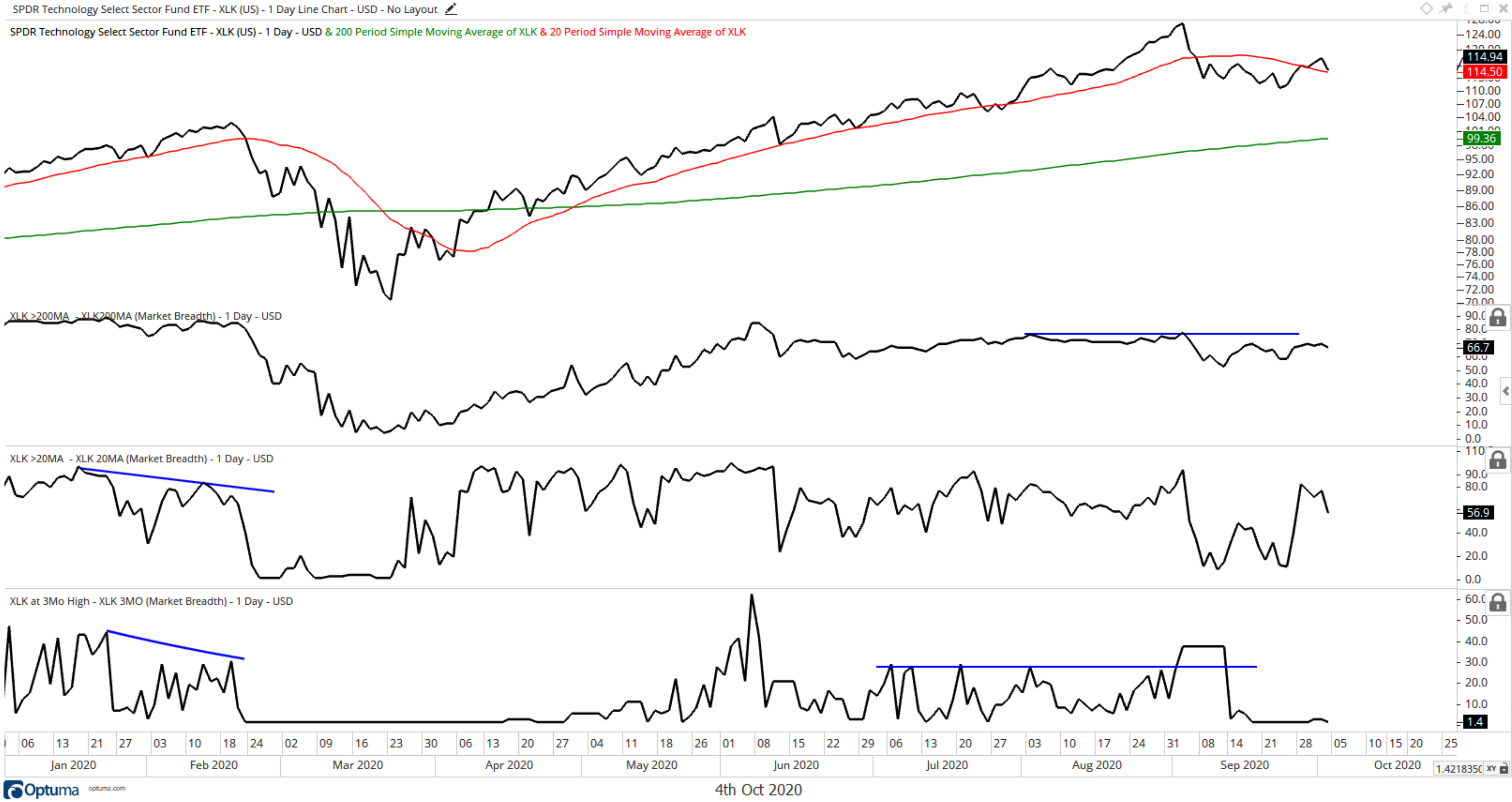
Ticker	Mean Reversion
Financial Mean Revision Score	
CBOE	-1.3244
C	-1.1494
MTB	-1.1417
CME	-1.0653
CB	-0.9789
WFC	-0.9771
PBCT	-0.9724
RE	-0.9722
HIG	-0.9639
ALL	-0.9274
BK	-0.9115
ZION	-0.9017
LNC	-0.8448
AIG	-0.8138
NTRS	-0.7438
TRV	-0.7118
BAC	-0.7089
USB	-0.6963
JPM	-0.6822
KEY	-0.6703

XLF still holding above its 50-day MA but unable to break the 200-day MA.

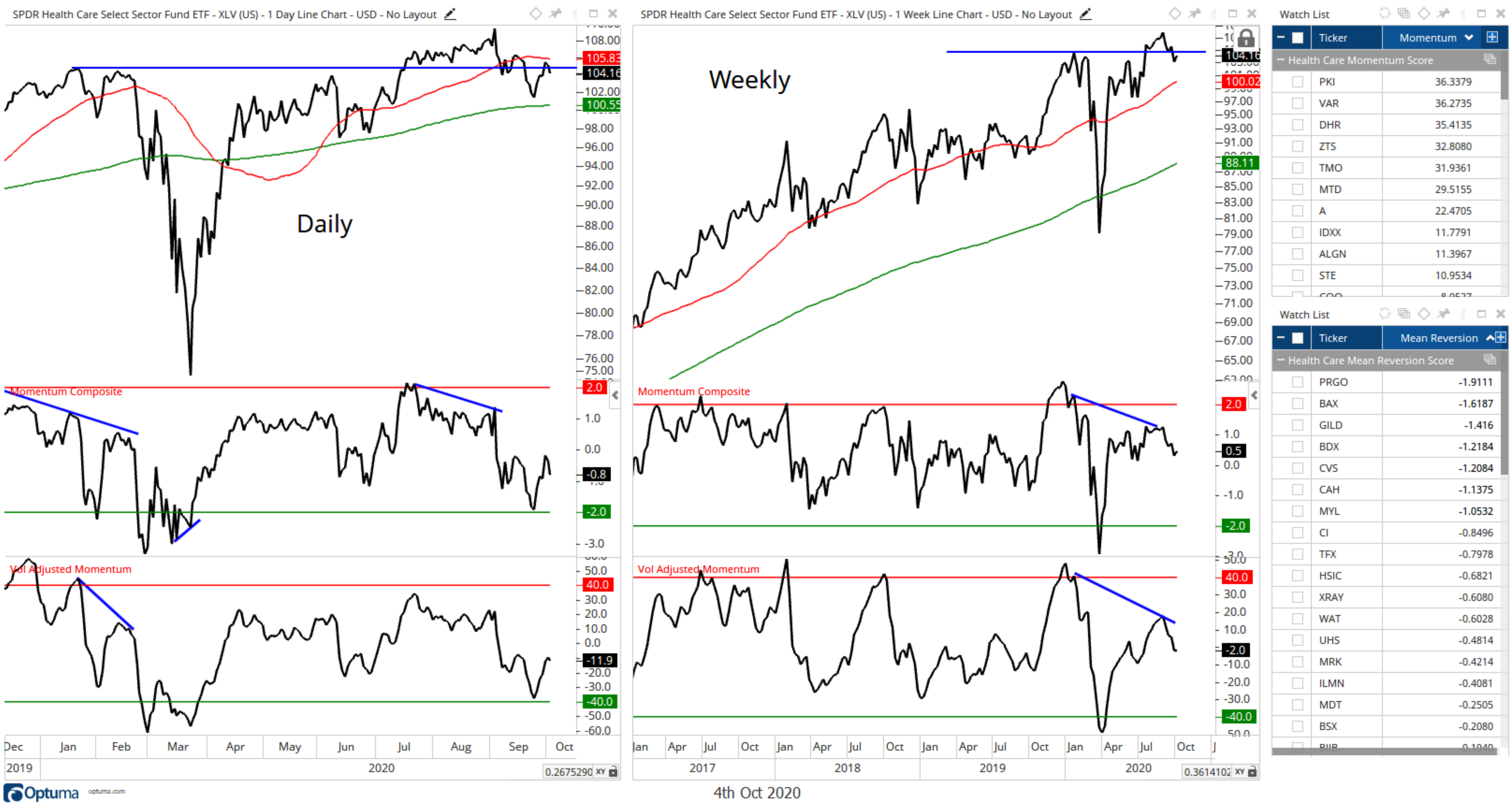
% above 200-day MA is still rising.



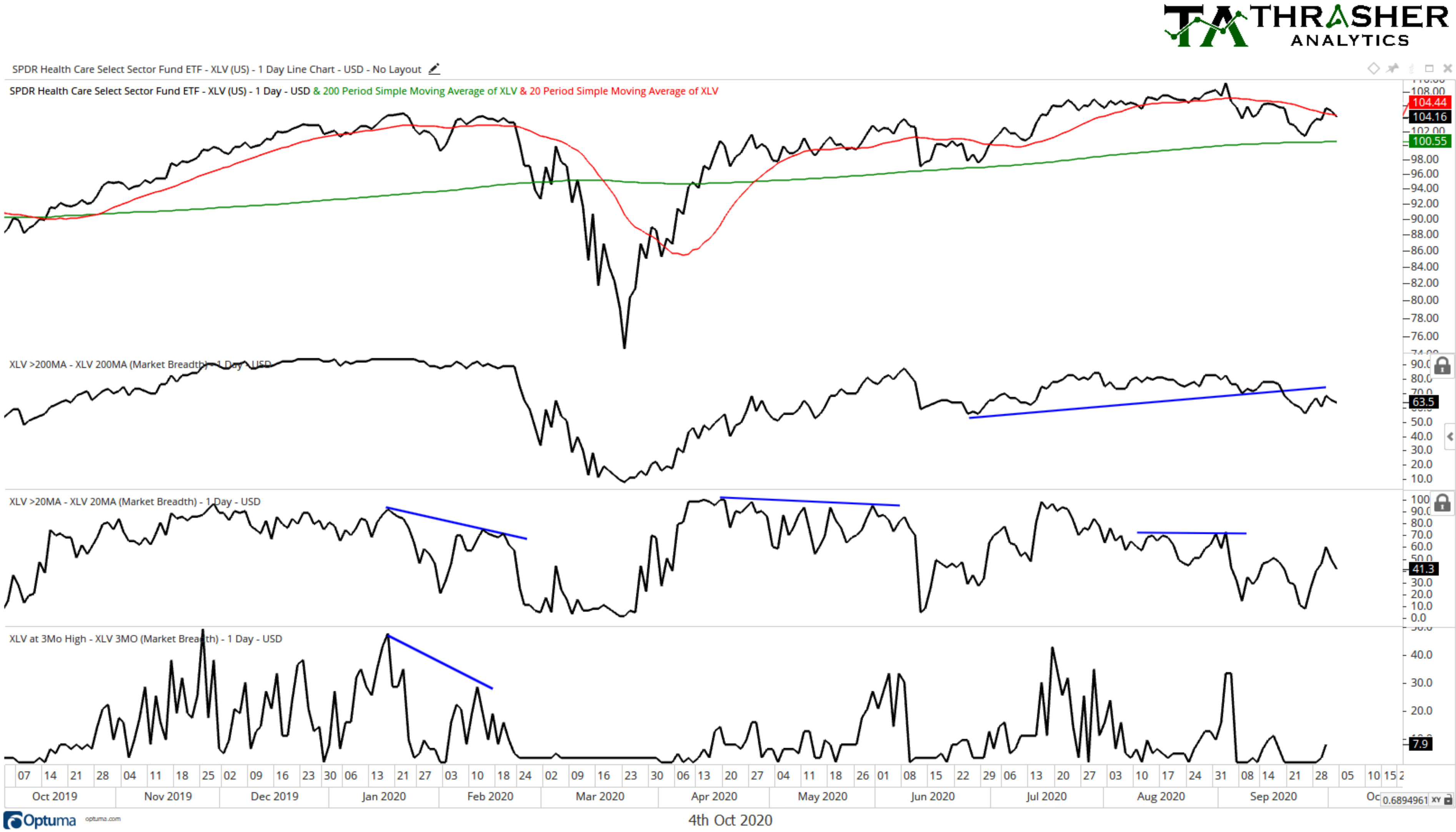
XLK holding above the prior Aug/Sept lows with price testing to hold the 50-MA.



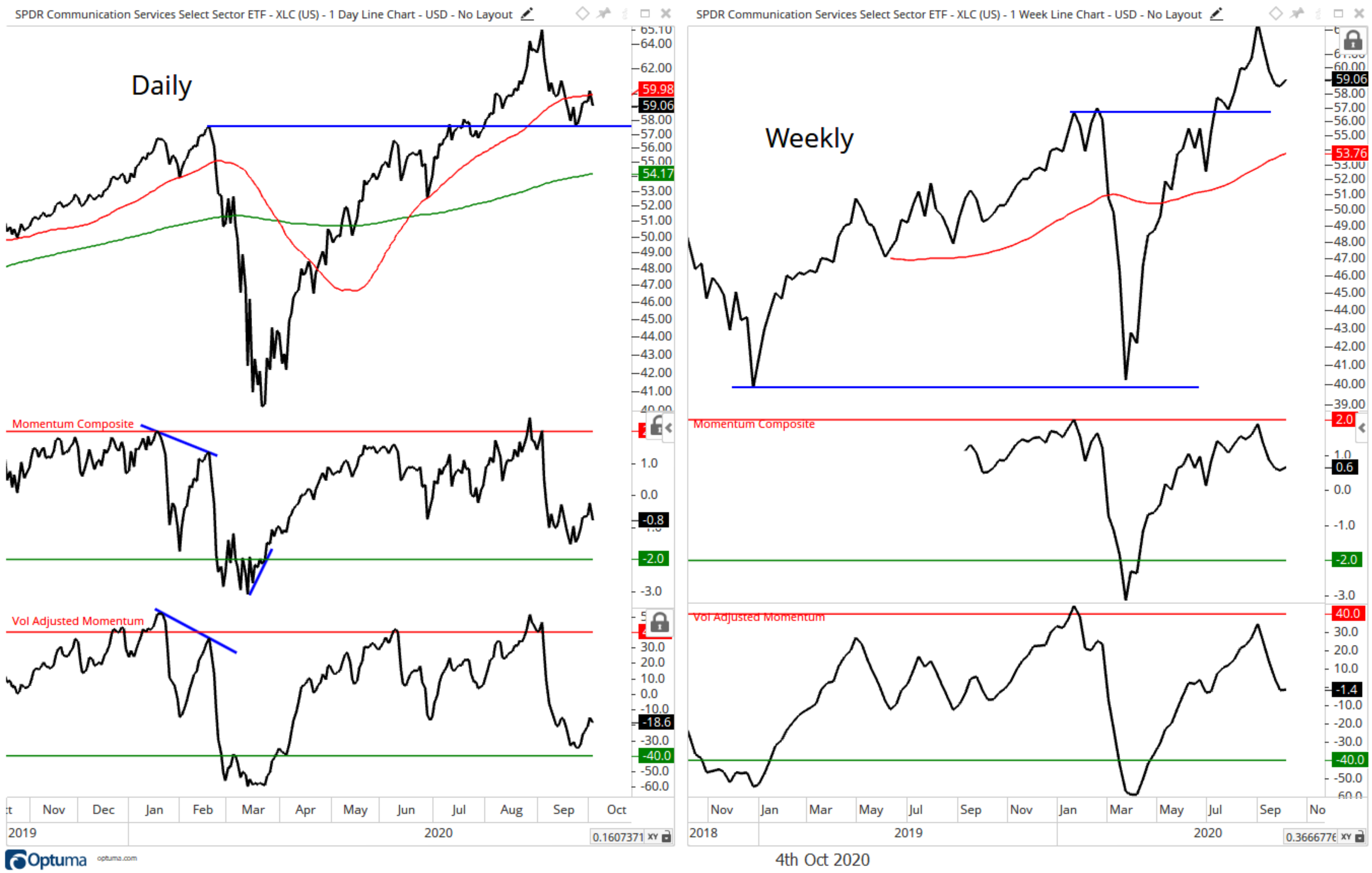
% above 200day MA holding up well but not gotten back to 80% yet.



XLV failing again tot hold the Feb high with no progress made on fixing the false breakout on the weekly.



Breadth tracking price.



Watch List

Ticker	Momentum
Communications Momentum Score	
CHTR	27.9041
TWTR	26.1216
CMCSA	18.3621
TMUS	17.2810
VZ	8.1959
ATVI	4.5396
VIAC	0.6392
TTWO	-1.9954
NWSA	-2.5906
NWS	-4.8546

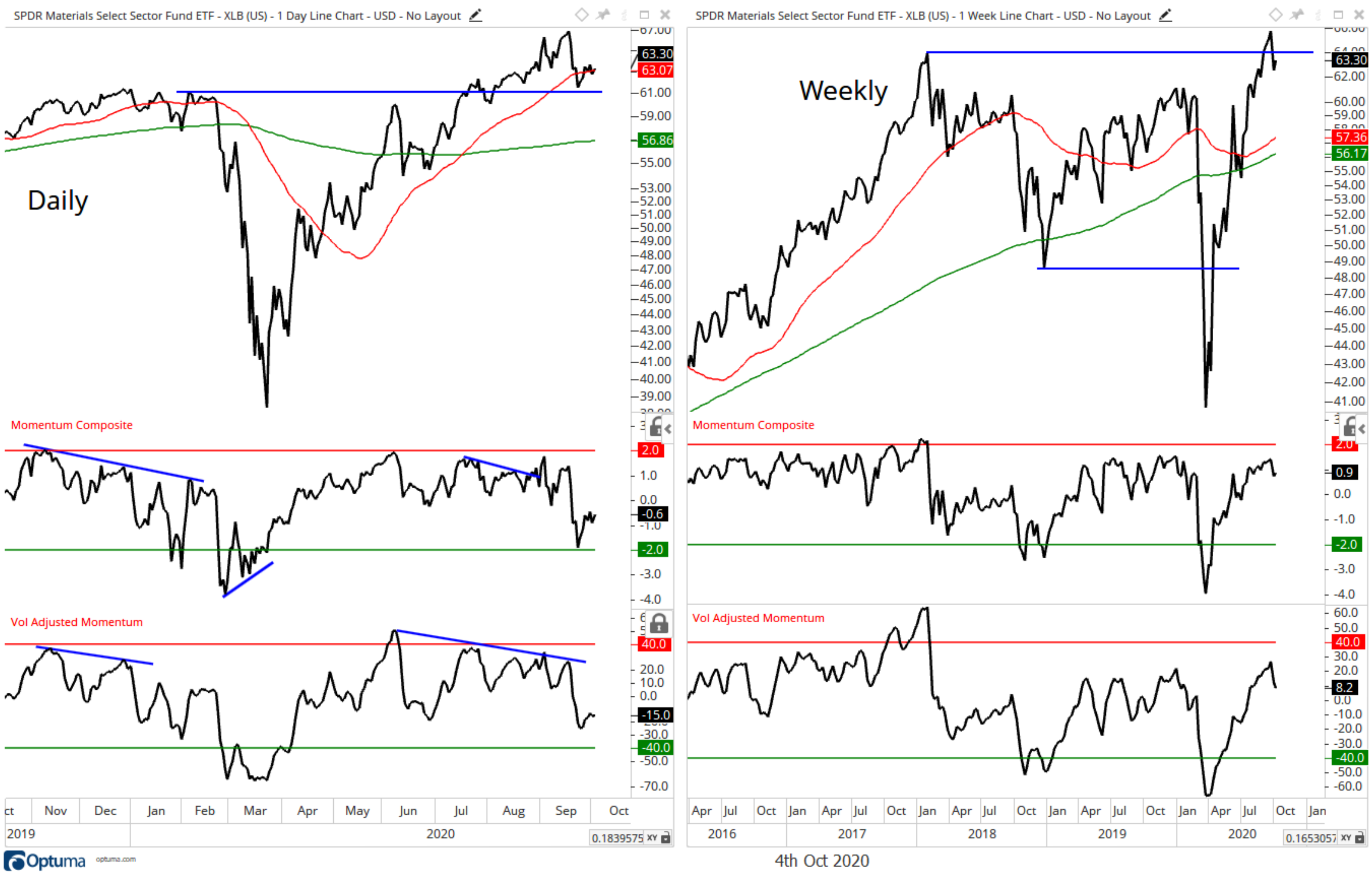
Watch List

Ticker	Mean Reversion
Communications Mean Reversion	
T	-1.1749
OMC	-0.9580
CTL	-0.7865
DISCK	-0.7488
DISH	-0.7241
DISCA	-0.7120
IPG	-0.5389
DIS	-0.2419
FOXA	-0.1858
LYV	-0.1579
FOX	-0.0983
VIAC	0.0908
GOOGL	0.3908
GOOG	0.3963
VZ	0.4993
NWS	0.5110
NWSA	0.6327
EA	0.6573
ATVI	0.7688

XLC tested and held above the Feb. high but failed to keep price above the 50-day MA.

Communications Sector

Breadth holding firm for XLC, no major damage to % above 200MA.



Watch List

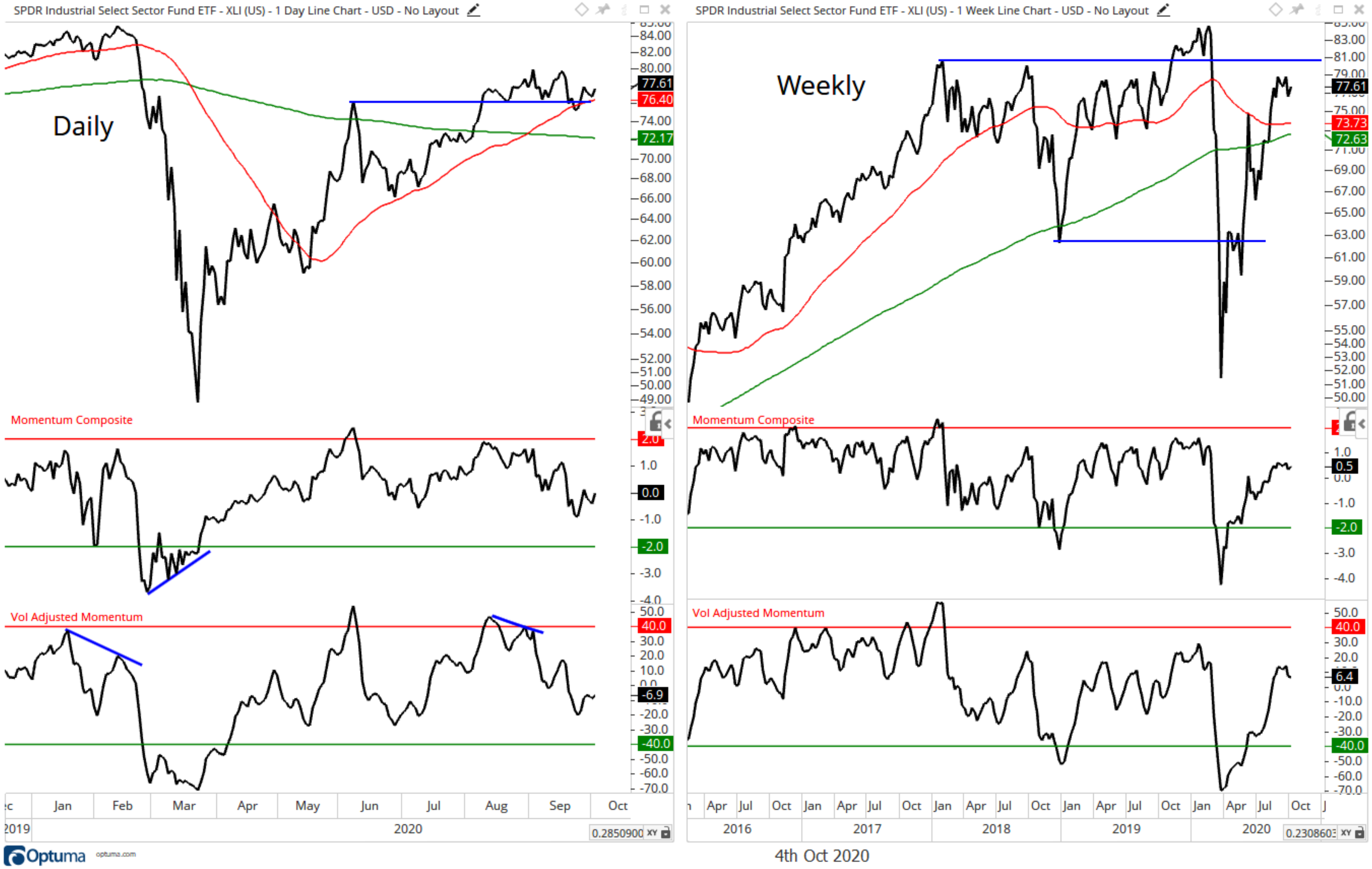
Ticker	Momentum
Materials Momentum Score	
SHW	24.6159
APD	22.0641
BLL	20.7046
FCX	15.1876
VMC	8.3225
PPG	7.9030
MLM	5.5477
CE	4.7141
AMCR	3.0566
MOS	2.4914

Watch List

Ticker	Mean Reversion
Materials Mean Reversion Score	
CF	-0.6430
IFF	-0.5849
LYB	0.0262
DD	0.0516
NUE	0.1152
ECL	0.1286
MLM	0.2254
CE	0.3530
WRK	0.4068
VMC	0.4641
AVY	0.4949
DOW	0.4997
IP	0.5180
FMC	0.5195
NEM	0.5395
MOS	0.6353
PPG	0.6870
PKG	0.7632

XLB failed to hold above the prior major high on weekly chart and continues to do battle w/ the 50-MA.

Breadth is positive for XLB.



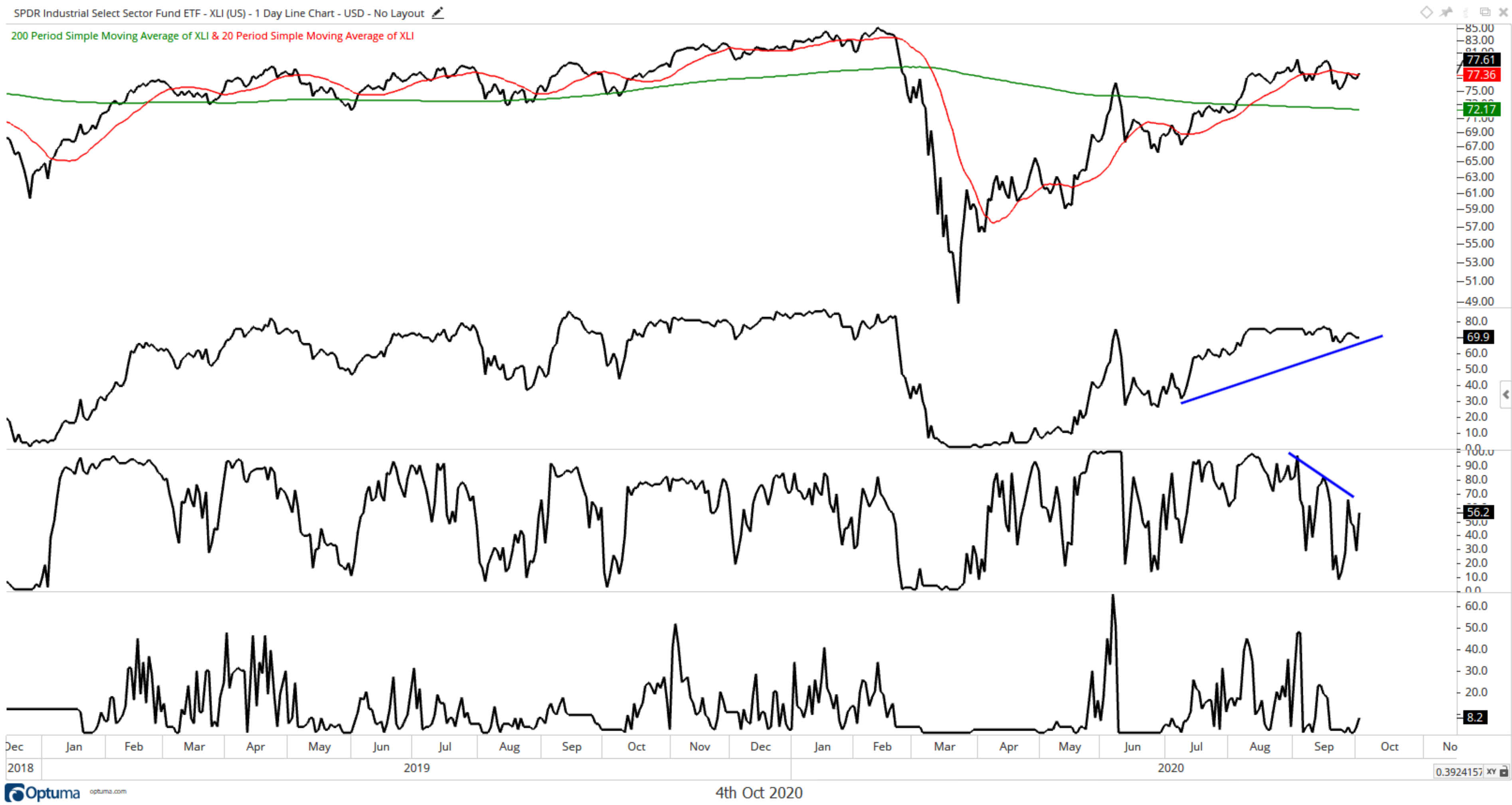
Watch List

Ticker	Momentum
Industrial Momentum Score	
FDX	56.2334
UPS	50.3909
CARR	41.7310
DE	38.6614
PWR	37.4113
CHRW	36.1056
EXPD	30.7873
ROL	29.4924
CPRT	28.9625

Watch List

Ticker	Mean Reversion
Industrial Mean Reversion Score	
HII	-1.4993
NOC	-1.1772
LHX	-1.1695
GD	-0.9012
GE	-0.8203
FLS	-0.7394
ALLE	-0.6447
NLSN	-0.6211
BA	-0.5880
UAL	-0.5780
ALK	-0.5720
AAL	-0.5316
HWM	-0.4545
DAL	-0.4238
WAB	-0.2992
LMT	-0.2835
LUV	-0.2591
TXT	-0.1931
TDG	-0.0965

Price holding above May high and 50-MA, good price action with many other sectors back below 50-MA.



%20MA diverging but %200MA still holding strong.

Watch List

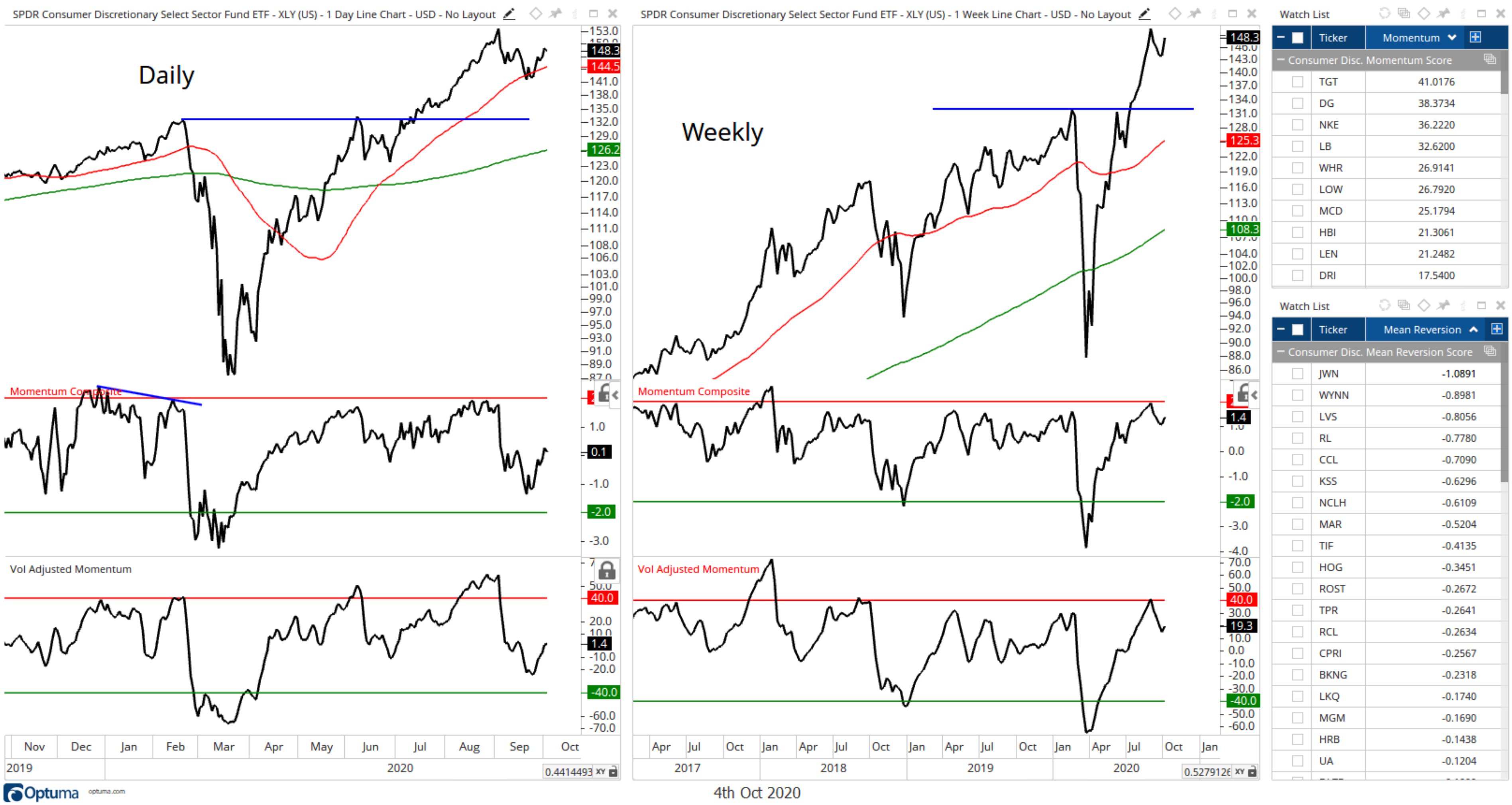
Ticker	Momentum
Consumer Staples Momentum Score	
PG	28.6192
COST	21.7076
ADM	17.1005
WMT	14.6973
CHD	11.3625
BF.B	9.8814
EL	8.0366
MNST	6.9073
MDLZ	6.1638
CL	4.0213
MKC	0.3700
STZ	-1.2484

Watch List

Ticker	Mean Reversion
Consumer Staples Mean Reversion	
WBA	-1.3973
COTY	-1.3401
TAP	-1.1925
TSN	-0.9247
MO	-0.7980
PM	-0.6173
K	-0.3534
KO	-0.3088
LW	-0.2672
HSY	-0.2296
SYY	-0.1665
CPB	0.0330
KHC	0.1089
STZ	0.2991
PEP	0.4125
HRL	0.4959
CLX	0.5696
KMB	0.6139

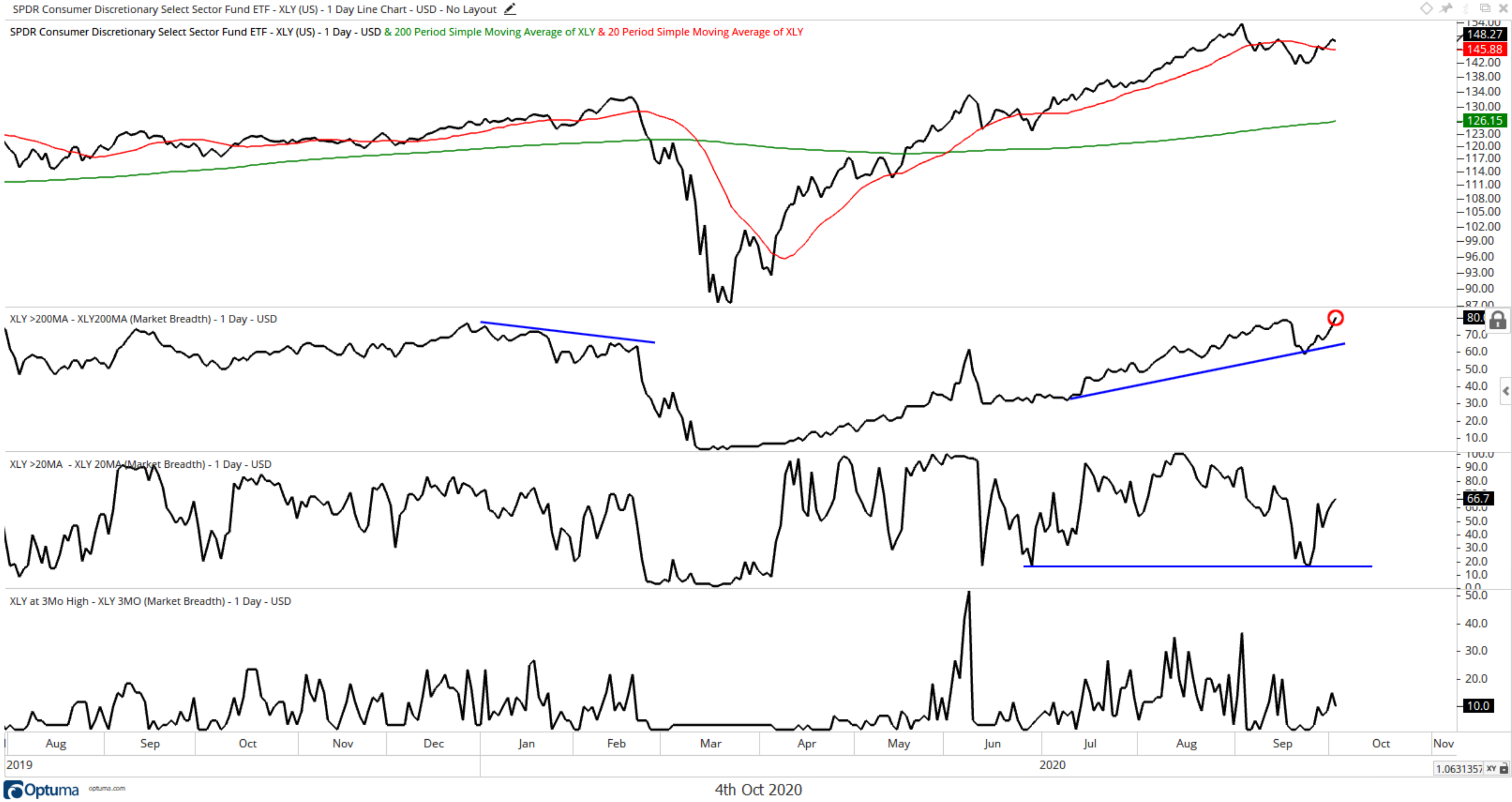
XLP still below Feb high but closed above 50-MA.

Breadth improving.

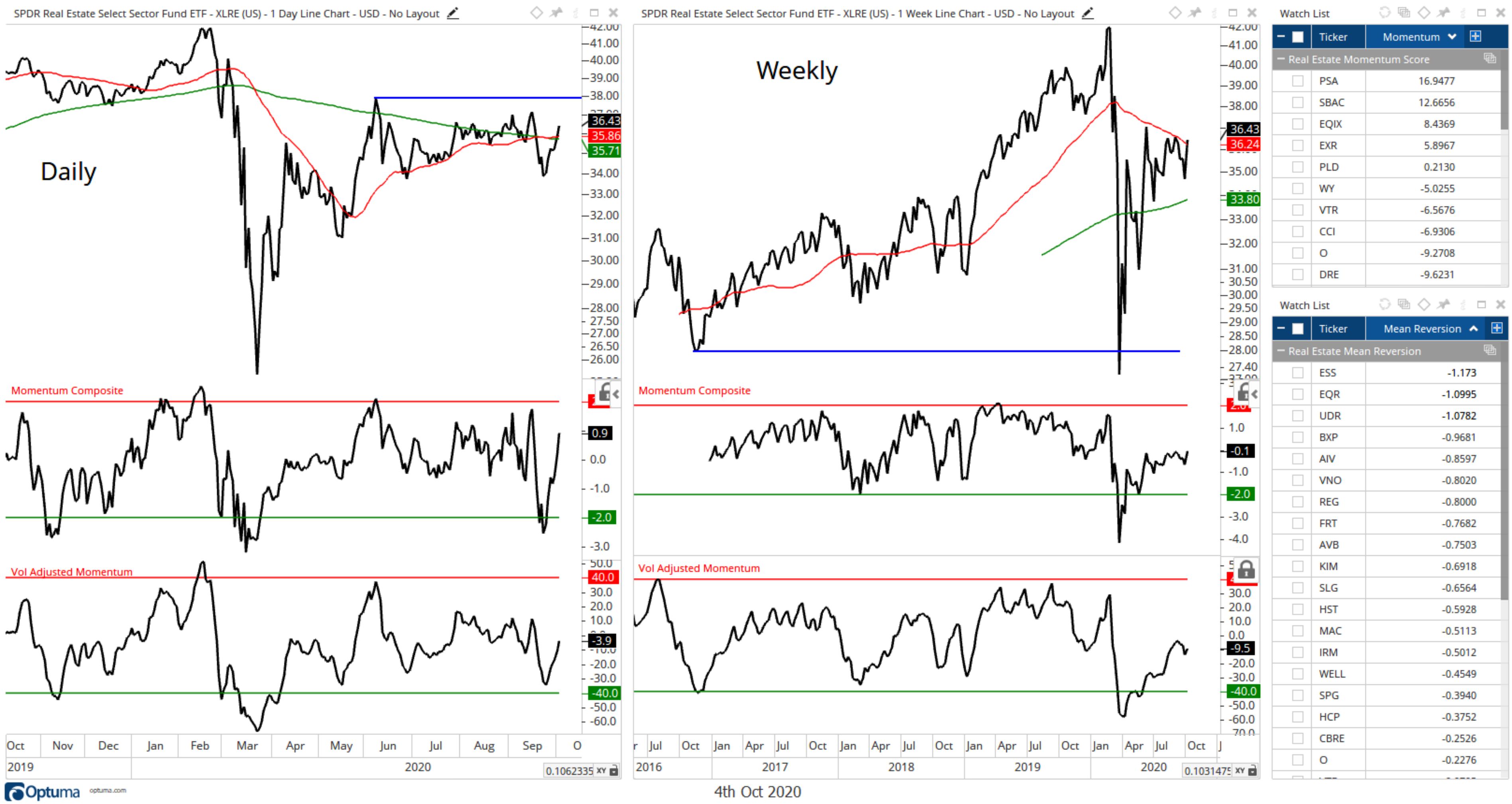


4th Oct 2020

XLY still above 50-day MA and showing one of the stronger charts of the major sectors.

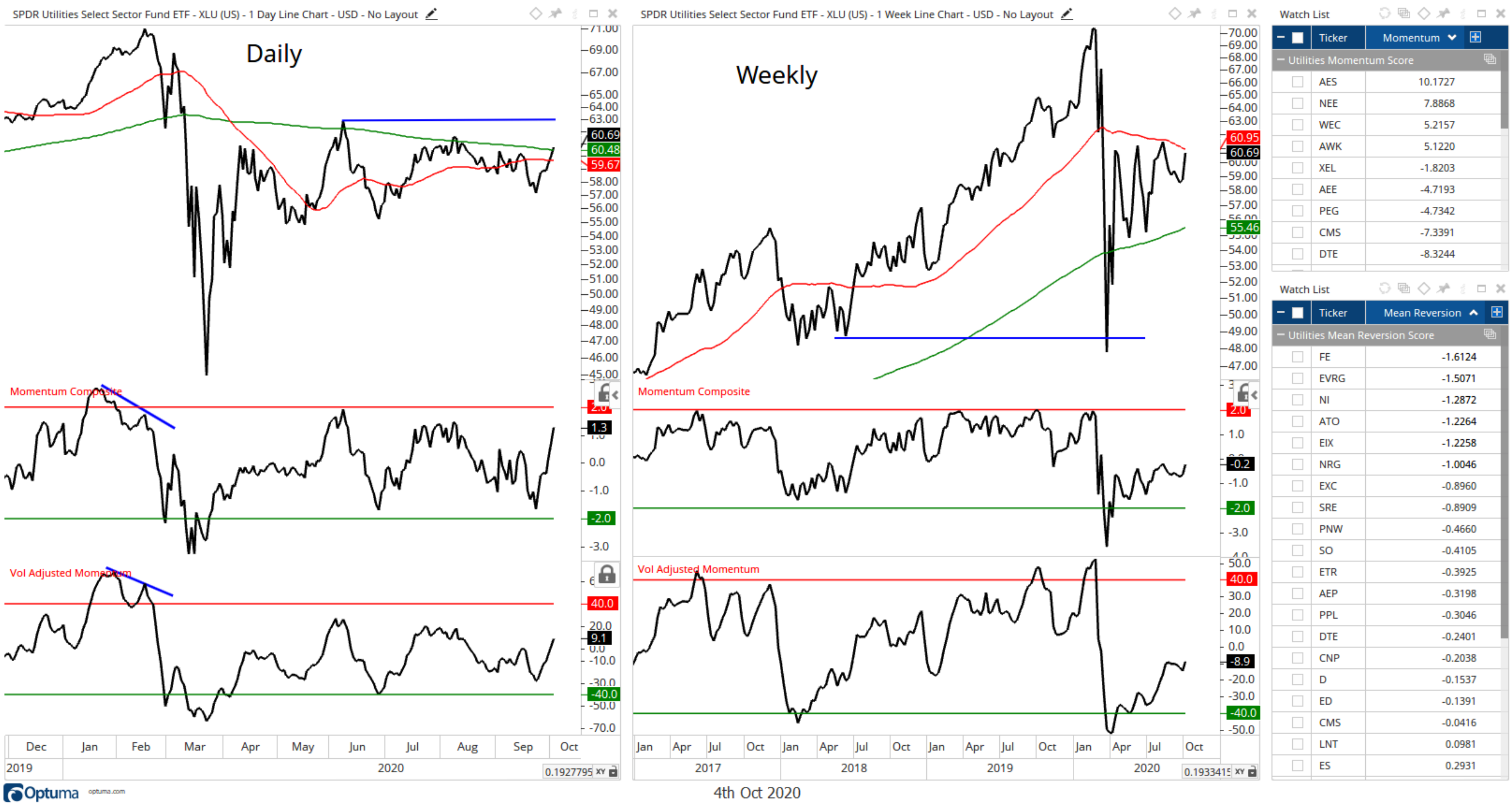


New high in % above 20-day MA since March has breadth continues to improve for XLY.



XLRE continues to trade in a narrow channel above and below the flattening 200-day MA.

Breadth has flattened with price but is trying to improve.



4th Oct 2020

XLC just barely closed above the 20-MA on Friday but still sits under the prior pivot high.

Breadth improving, with one of the highest % above 200-MA readings in several months.

Watch List

Ticker	Momentum
Energy Momentum Score	
WMB	-23.7851
COG	-30.2396
PXD	-40.8166
HAL	-43.9391
NBL	-46.0864
BKR	-47.7032
SLB	-49.9434
HES	-50.9396
MPC	-52.9063
COP	-54.0553

Watch List

Ticker	Mean Reversion
Energy Mean Reversion Score	
KMI	-1.5619
CVX	-1.5583
HES	-1.4965
VLO	-1.4835
XOM	-1.4376
EOG	-1.393
HFC	-1.3555
NOV	-1.3546
PSX	-1.3187
CXO	-1.1698
COP	-1.1479
BKR	-1.1458
HP	-1.0965
MPC	-1.0964
OXY	-1.0841
APA	-1.0512
MRO	-1.0222
FANG	-0.9692
OKE	-0.9688

4th Oct 2020

XLE continues to make new lows.

No internal support, breadth still bad.

1 Day - Watch List - No Layout

Market	% Bullish	5MA	History
Coffee DSI	25	23.6	
Orange Juice DSI	26.00	23.2	
Gold DSI	30.00	31.60	
Lumber DSI	32.00	31.40	
Silver DSI	33.00	38.60	
Heating Oil DSI	34.00	42.60	
Crude Oil DSI	35.00	43.20	
CRB Index DSI	35.00	41.60	
Natural Gas DSI	36.00	38.20	
US Dollar DSI	43.00	43.80	
Swiss Franc DSI	45.00	48.20	
Platinum DSI	48.00	52.40	
SPX DSI	50.00	52.80	
Nasdaq DSI	53.00	57.20	
Gasoline DSI	54.00	60.40	
Australian Dollar DSI	54.00	53.00	
Cocoa DSI	55.00	64.40	

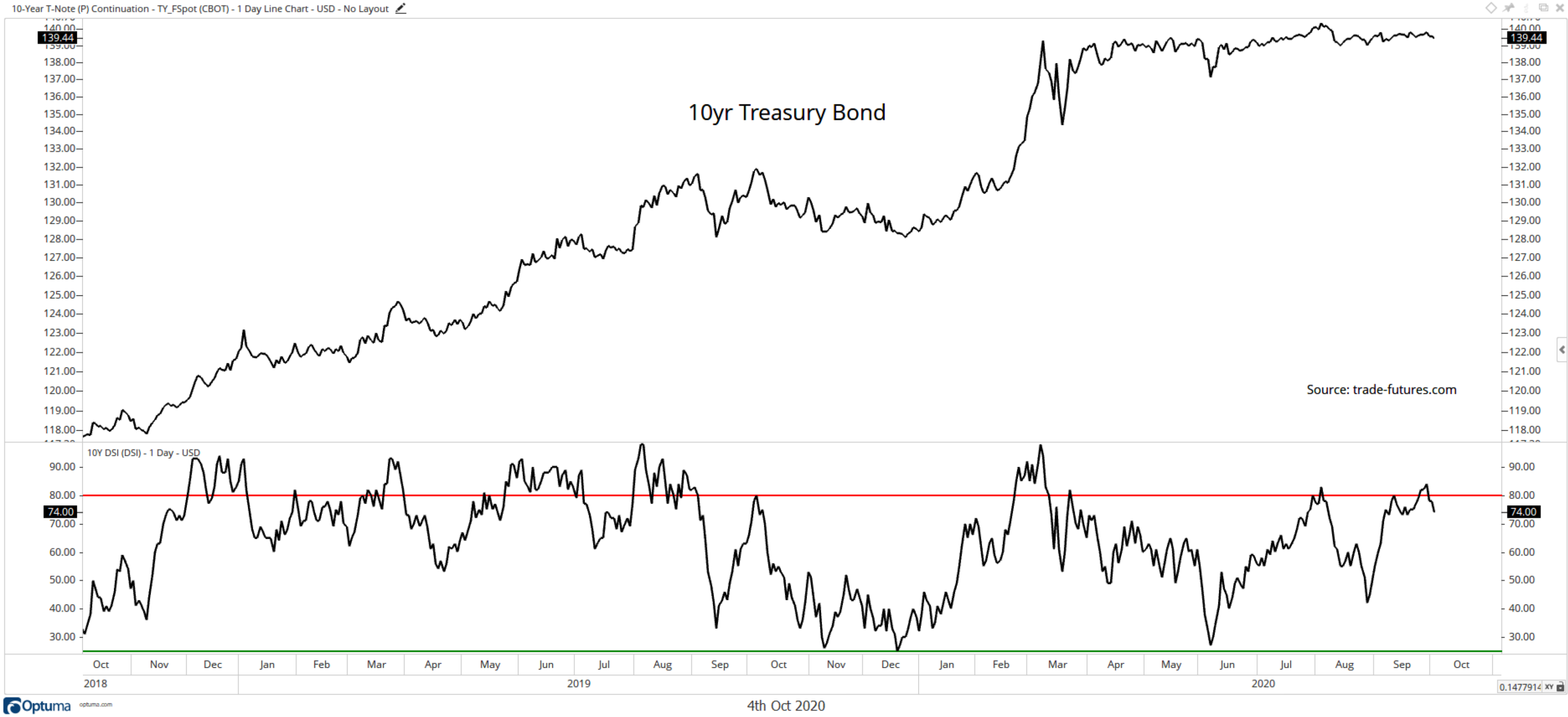
1 Day - Watch List - No Layout

Code	% Bullish	5MA	History
British Pound DSI	55.00	50.20	
VIX DSI	56.00	50.00	
Nikkei DSI	62.00	66.80	
Euro DSI	63.00	61.60	
New Zealand Dollar DSI	65.00	62.80	
Lean Hog DSI	66.00	67.40	
Copper DSI	66.00	66.00	
Sugar DSI	68.00	63.60	
Palladium DSI	69.00	71.00	
EuroDollar DSI	73.00	73.00	
Cotton DSI	73.00	72.20	
Cattle DSI	73.00	76.00	
5YR DSI	73.00	75.00	
10Y DSI	74.00	79.20	
Corn DSI	75.00	72.80	
Mexican Peso DSI	79.00	71.60	
Wheat DSI	80	74.20	

Source: trade-futures.com

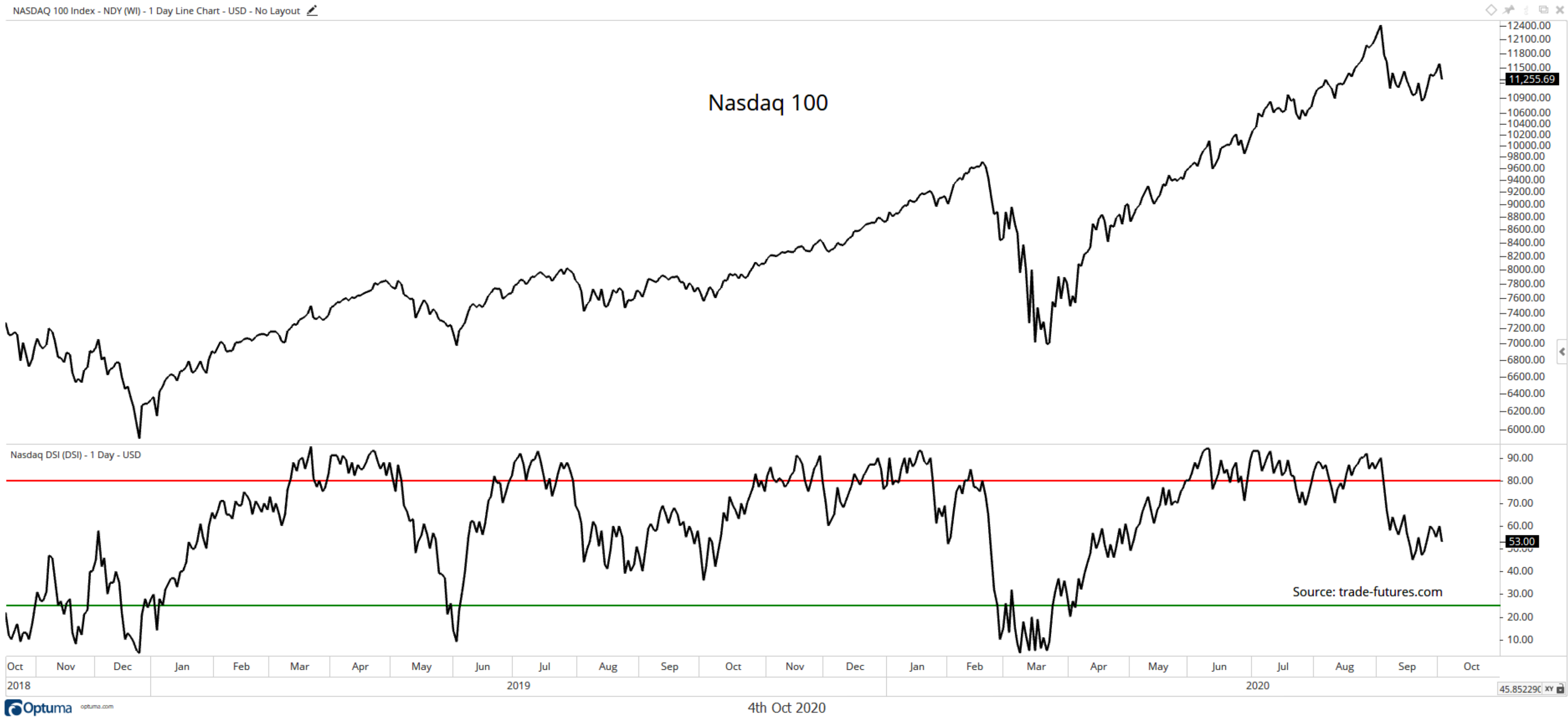
Above is the DSI score for each of the futures markets.

Daily Sentiment Index 10-year Treasury



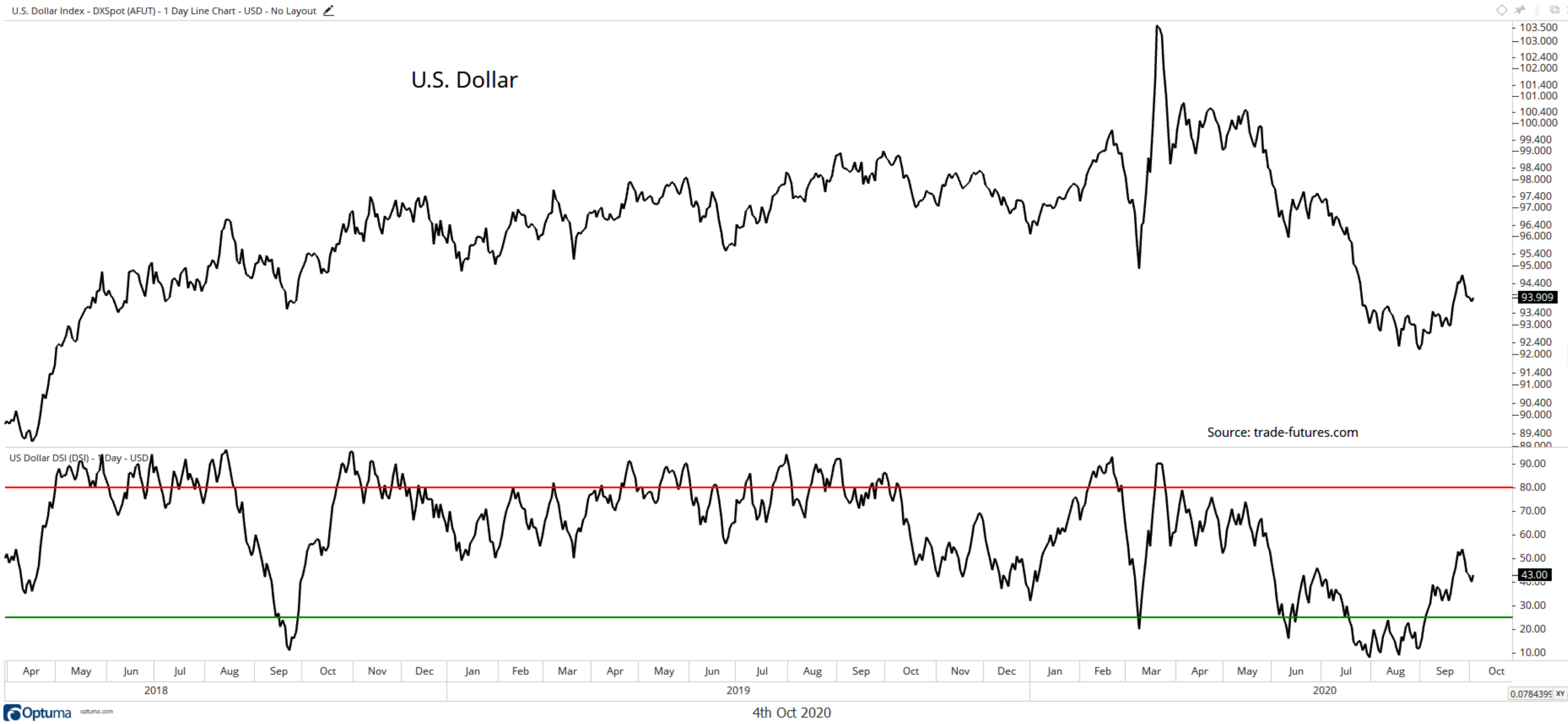
Daily Sentiment Index S&P 500

Daily Sentiment Index Nasdaq 100

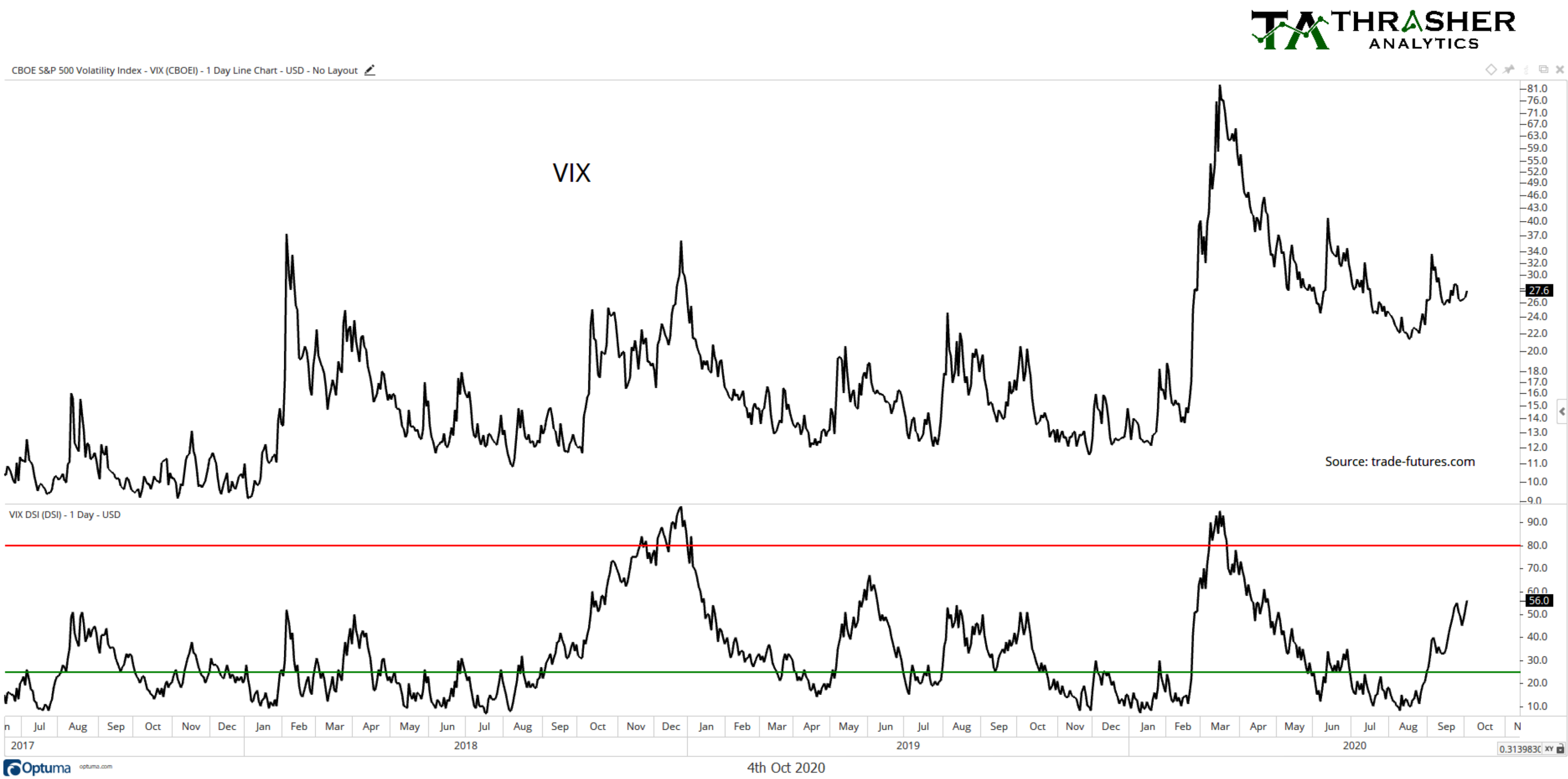



Gold Futures - GCSpot (NYMEX) - 1 Day Line Chart - USD - No Layout
Gold
Source: trade-futures.com
Gold DSI (DSI) - 1 Day - USD
1,907.60
30.00
Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct
2018 2019 2020
Optuma
4th Oct 2020

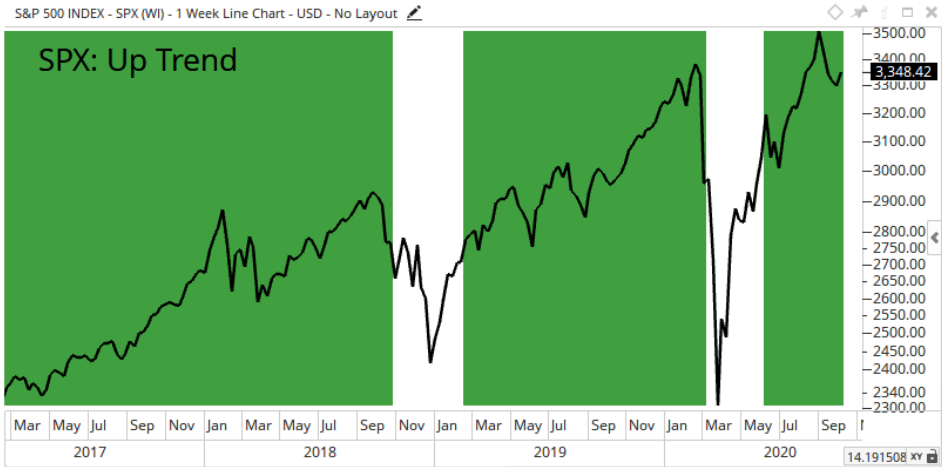
Daily Sentiment Index U.S. Dollar

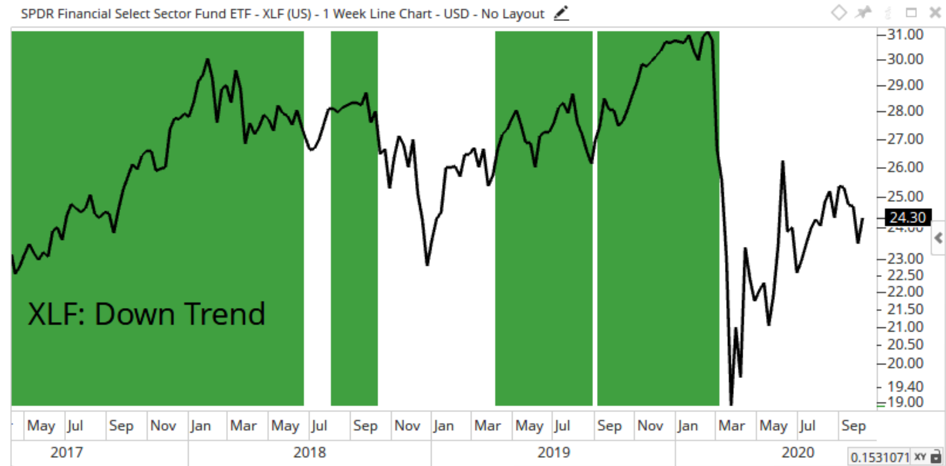


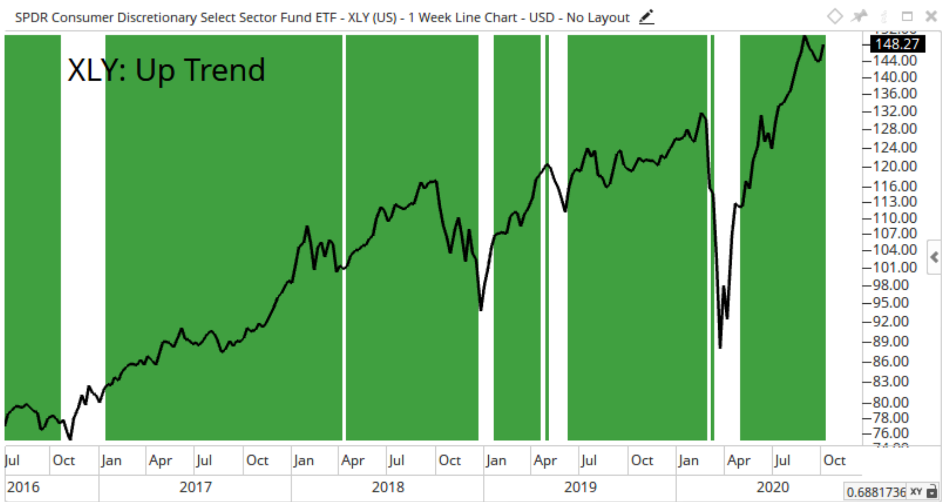
DAILY SENTIMENT INDEX VIX

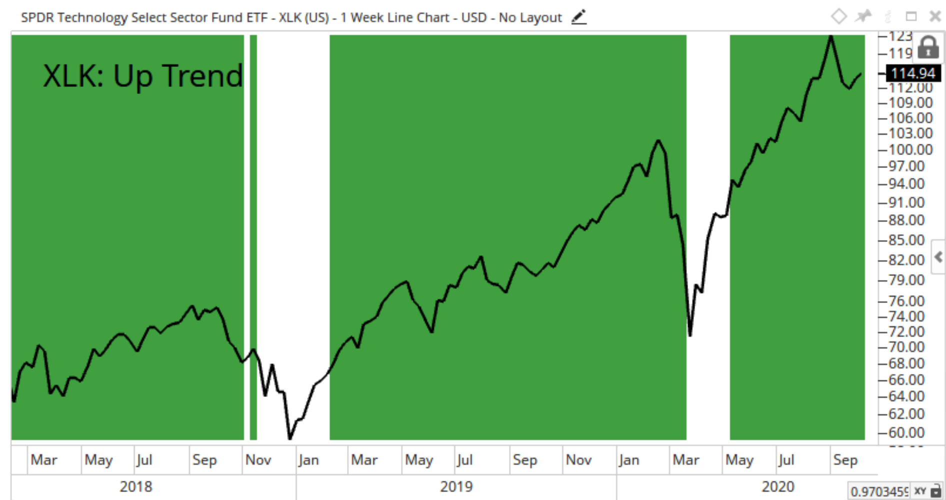



NIKKEI 225 INDEX - NYCash (CME) - 1 Day Line Chart - USD - No Layout
Nikkei 225 Index
Source: trade-futures.com
Nikkei DSI (DSI) - 1 Day - USD
23,030
62.00
Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct
2018
2019
2020
Optuma
4th Oct 2020



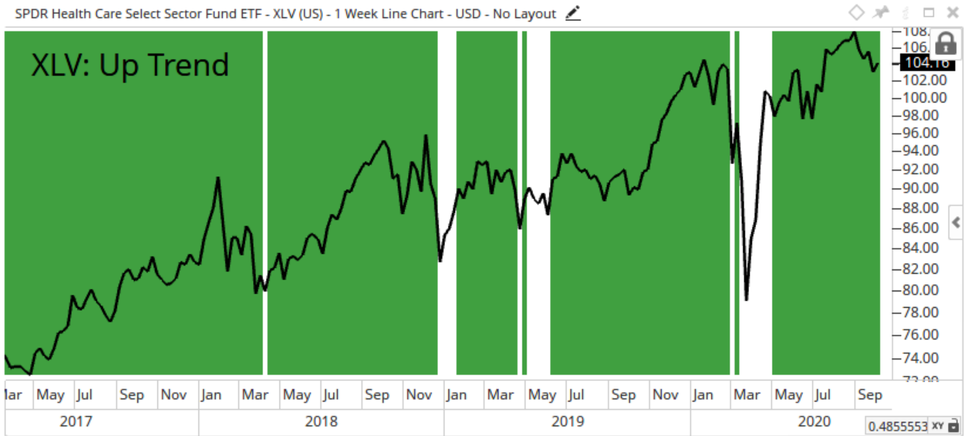


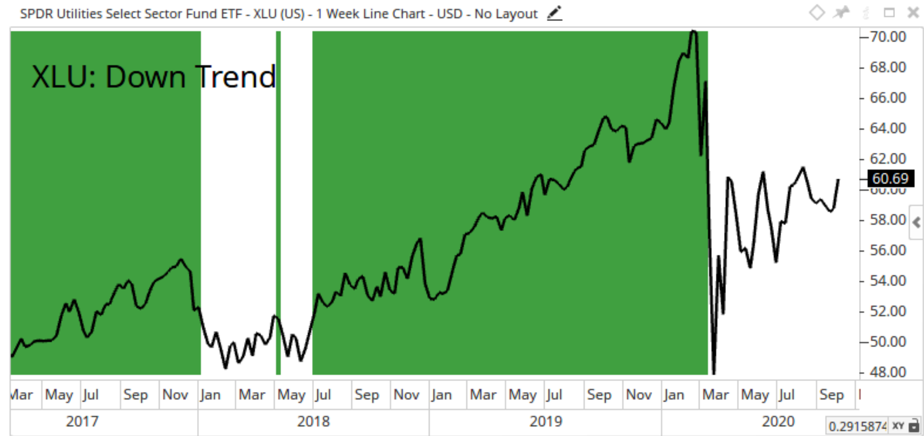


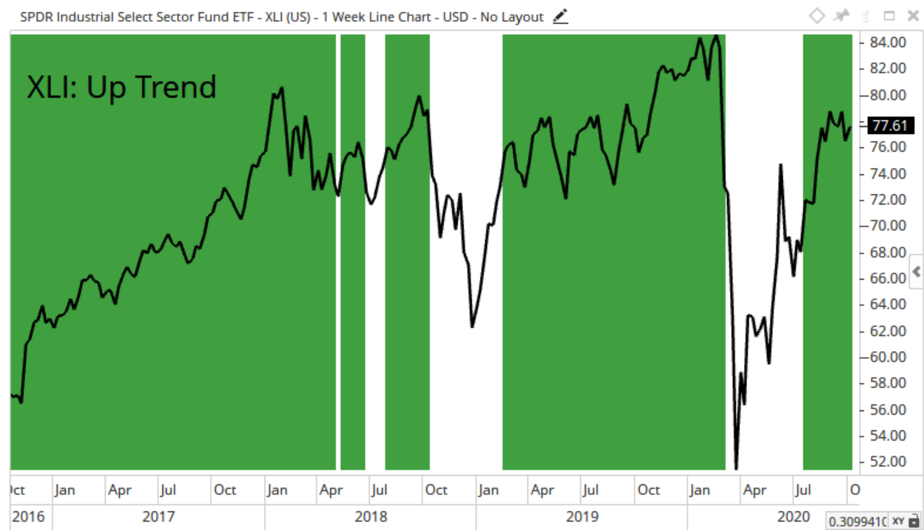


Optuma

4th Oct 2020

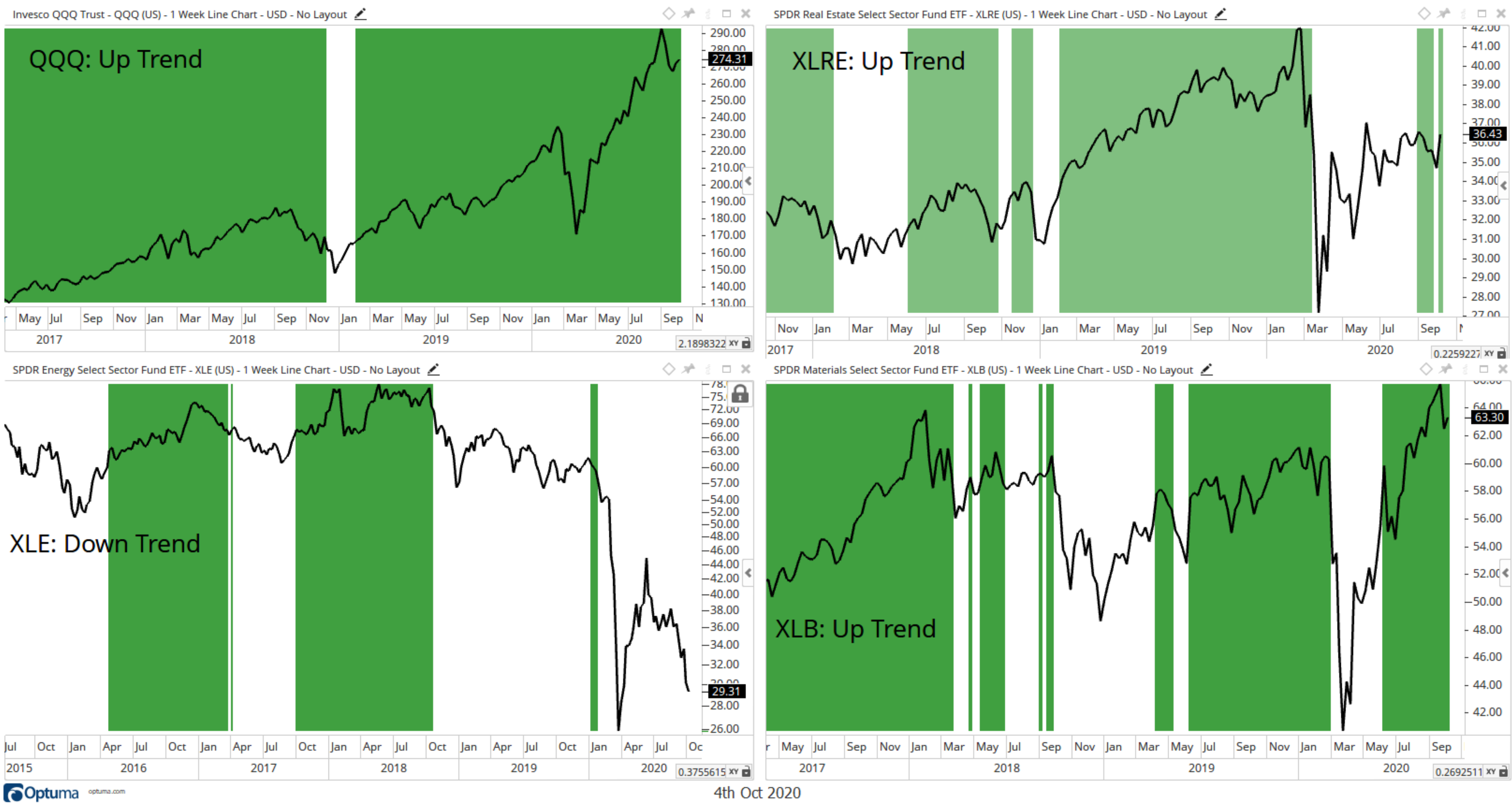






Optuma

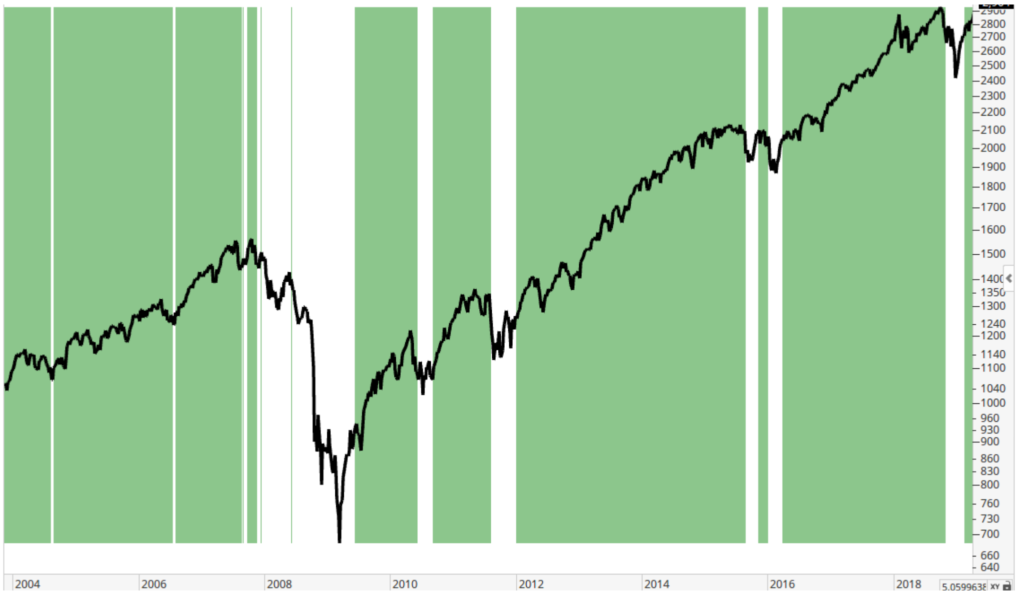
4th Oct 2020

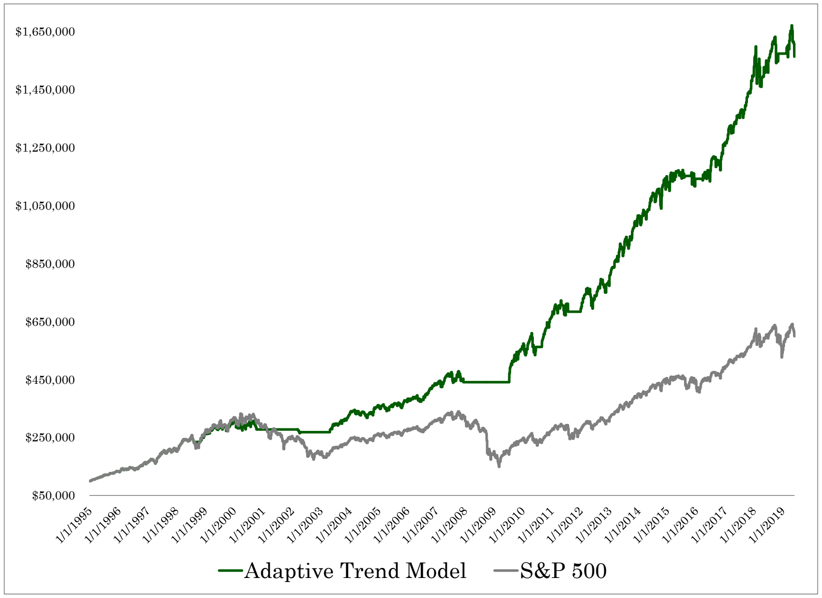

Invesco QQQ Trust - QQQ (US) - 1 Week Line Chart - USD - No Layout
QQQ: Up Trend
SPDR Real Estate Select Sector Fund ETF - XLRE (US) - 1 Week Line Chart - USD - No Layout
XLRE: Up Trend
SPDR Energy Select Sector Fund ETF - XLE (US) - 1 Week Line Chart - USD - No Layout
XLE: Down Trend
SPDR Materials Select Sector Fund ETF - XLB (US) - 1 Week Line Chart - USD - No Layout
XLB: Up Trend
Optuma
4th Oct 2020

Trend-based analysis is a process built on the idea of enduring minor pullbacks in the anticipating of avoiding protracted drawdowns in financial markets. With a focus on stepping out of the market during large down trends, the Thrasher Analytics Adaptive Trend Model (TAATM) pursues to minimize the “whipsaws” of signals during highly volatile periods of market activity. To accomplish this, TAATM incorporates multiple look-back time periods and incorporates volatility gauges in its evaluation of the equity market’s overall trend.

Thrasher Analytics analysis concludes the market’s trend is led by the resulting trend of its individual stocks. This means, if the majority of stocks are trending in one direction, then the broad index will be persuaded to follow that trend as well. By incorporating the individual stock trends, volatility, and multiple time periods, the TAATM provides a data-focused look at the overall trend of the U.S. equity market.

THRASHER ANALYTICS



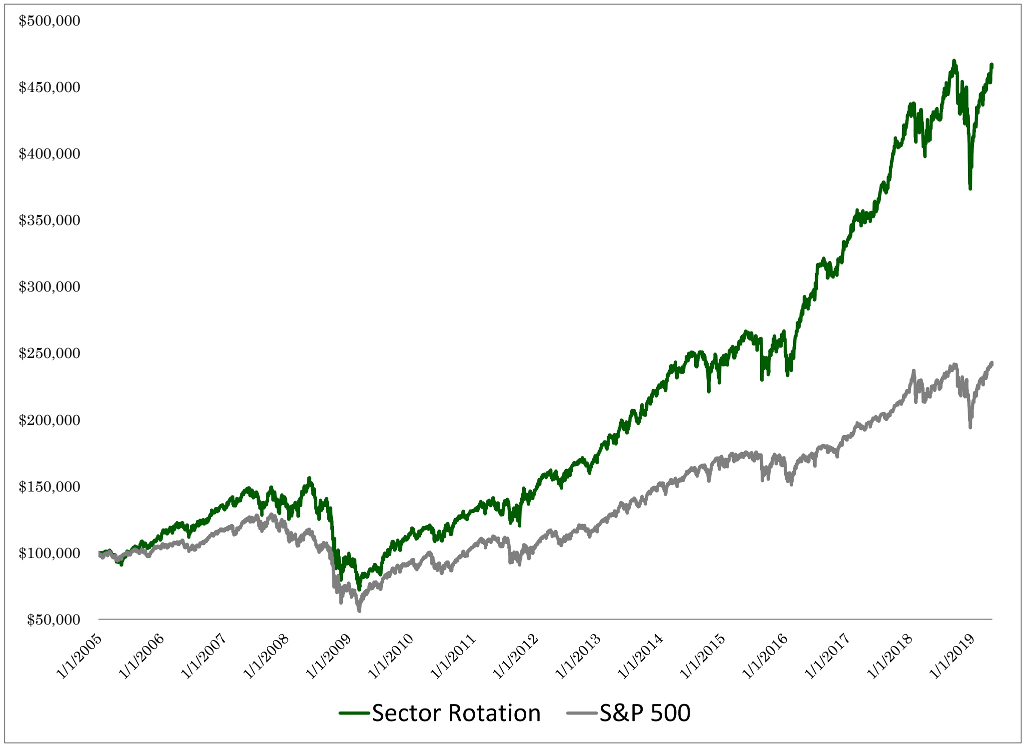


	Annualized Return	Annualized Volatility	Beta	Sharpe	Maximum Drawdown
Adaptive	12.5%	10.3%	0.47	0.97	14.1%
S&P 500	8.9%	15.3%	1	0.42	56.6%

Provided charts, data, and descriptions are a result of a back test using historical market data. No representation is being made that the use of this strategy or any system or data will generate profits. The results do not represent actual results and actual results may significantly differ from the theoretical returns being presented.

Please see complete disclosure for additional information.

Thrasher Analytics holds the belief, resulted from an in-depth examination of the performance of the primary S&P sectors, that they historically cycle through periods of strength and weakness. In order to move towards capturing the alpha from this rotation, a mean-reversion model is deployed with a monthly rebalance of the lowest scoring sectors. Using proprietary methods of systematic technical analysis, Thrasher Analytics sector rotation model focuses on equity sectors that are most heavily showing signs of volatility and trend exhaustion and likely to be exposed to a positive shift in investor sentiment. By pairing this mean reversion approach towards sectors with the Adaptive Trend Model for the broad index, a layer of risk management can be achieved through strategy diversification.



	Annualized Return	Annualized Volatility	Beta	Sharpe	Maximum Drawdown
Sector	12.7%	15.9%	0.96	0.64	53.9%
S&P 500	7.5%	14.8%	1	0.34	56.6%

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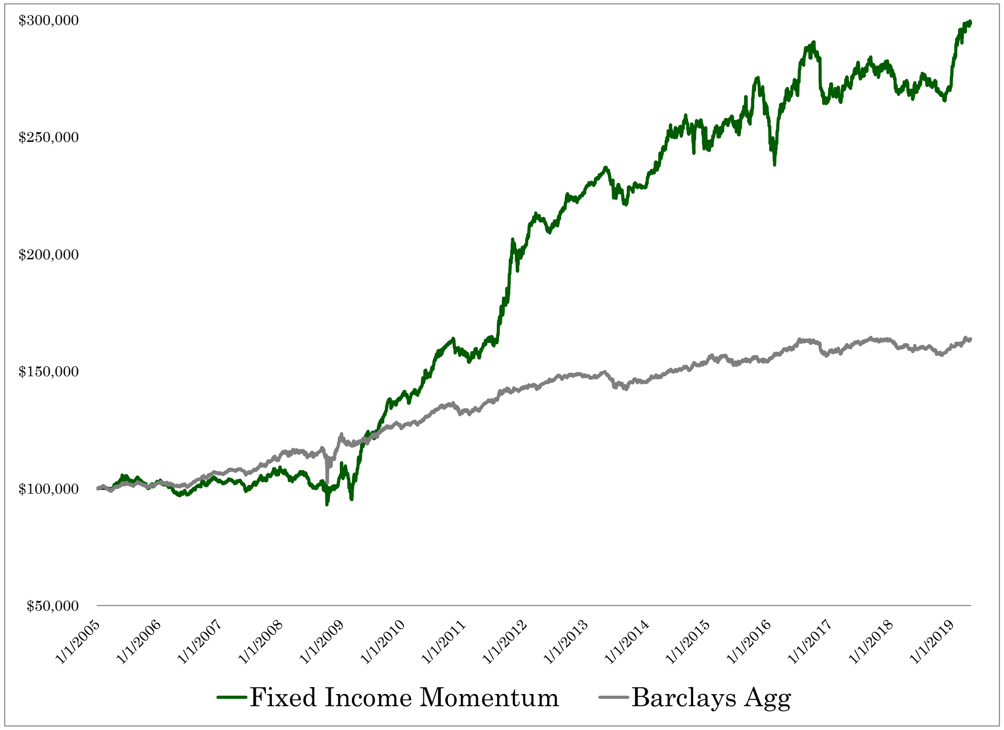
Please see complete disclosure for additional information.

If equities are the speedboats in the sea of financial markets then fixed income securities are the tanker ships. While stocks can move violently in both directions, Thrasher Analytics research has shown that fixed income markets historically show consistent trends. Because of the tanker-like movements displayed by bonds, a quarterly rebalance method is used for the Thrasher Analytics Fixed Income Momentum Model, with a pursuit focusing on the strongest performing corners of the fixed income market. By evaluating the risk adjusted momentum of both long- and short-term momentum, the Fixed Income Momentum Model also incorporates a proprietary indicator that acts as a throttle of the momentum score of each fixed income ETF. This indicator penalizes those ETFs that have moved too high and too fast in short-term trading while still allowing overall positive momentum to be the guiding principle of the model.



	Annualized Return	Annualized Volatility	Beta	Sharpe	Maximum Drawdown
Fixed Income	8.3%	8.2%	1.04	0.7	14.9%
Barclays Agg	3.6%	3.7%	1	0.29	11.0%

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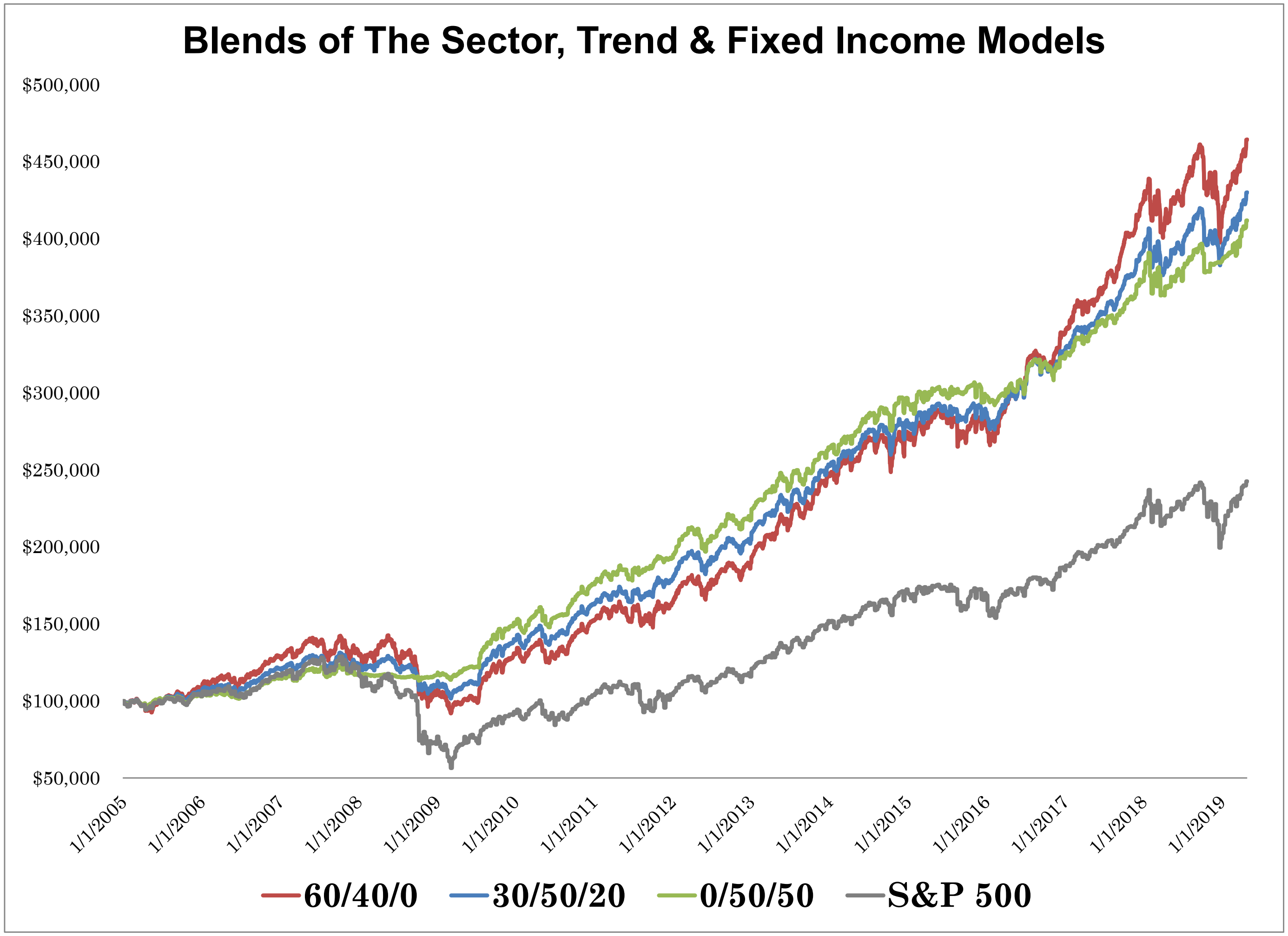
The concept of diversification is not new to financial markets. While many market participants focus on the diversification of the underlying holdings. This procedure is can be vastly skewed during periods of high market turmoil, in which correlations across asset classes tend to historically rise. Thrasher Analytics believes in diversifying in strategy styles. By using multiple investment philosophies, specifically trend following, mean-reversion, and momentum, a blended model is created that has the ability to adapt to changing market environments and volatility. For example, when equity markets show a strong trend preference, the adaptive S&P 500 trend following component benefits but if there's a shift favoring a range-bound market the sector rotation strategy based on mean-reversion should provide favorable performance.



The above chart shows examples of blending the sector, trend, and fixed income models . Ranging from an all equity approach of 60% in sector rotation, 40% trend and 0% in fixed income; 30% in sector rotation, 50% in trend, and 20% in fixed income; 0% in sector rotation, 50% in trend, and 50% in fixed income.

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Trend (weekly)	Sector Rotation (monthly)	Fixed Income Momentum (quarterly)
Positive	XLY	TLT
	XLB	AGG
	XLK	

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Back tested performance is NOT an indicator of future actual results. The results reflect performance of a strategy not [historically] offered to investors and do NOT represent returns that any investor actually attained. Back tested results are calculated by the retroactive application of a model constructed on the basis of historical data and based on assumptions integral to the model which may or may not be testable and are subject to losses.

Back tested performance is developed with the benefit of hindsight and has inherent limitations. Specifically, back tested results do not reflect actual trading or the effect of material economic and market factors on the decision-making process. Since trades have not actually been executed, results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity, and may not reflect the impact that certain economic or market factors may have had on the decision-making process. Further, back testing allows the security selection methodology to be adjusted until past returns are maximized. Actual performance may differ significantly from back tested performance.

The models, results, and data shown assumes that the markets were sufficiently liquid to permit the types of trading used in the model. A $6.95 per trade transaction fee was assumed during the back tested period but the results give no consideration to the effect of taxes of any kind. Because the trades assumed in Thrasher Analytics' presentations have not actually been executed, the results shown may have under- or over-compensated for the impact, if any, of certain market factors such as lack of liquidity or the ability to obtain the execution prices that have been assumed. The models developed and presented by Thrasher Analytics LLC require an historical period of data for parameter estimation prior to the actual commencement of the period shown in the model and in the back tested results. No representation is being made that any account will or is likely to achieve profit or loss similar to those shown in this or any other content produced by Thrasher Analytics LLC.

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